

**INSIDE: THE WAR OVER TESTING FOR AIDS**

# Maclean's

JUNE 15, 1987

CANADA'S WEEKLY NEWSMAGAZINE

\$1.75

## CANADA'S NEW DEAL



**Exclusive:  
A Personal Account  
By Brian Mulroney**

**A Maclean's Poll:  
How Canadians View  
The Constitution**

**Ontario's David Peterson,  
the Prime Minister and  
Quebec's Robert Bourassa**



# SNAZZY



## THE 1987 TERCEL TAKES ECONOMY UPSCALE.

Introducing an economy car that doesn't show its price. The 1987 Toyota Tercel Coupe. Snazzy. New. Sharp looking. Fun.

The new Tercel is plenty snazzy on the road too. You get all the agility and fun-to-drive performance of a multi-valve engine. And with this new Tercel you can

expect the same reliability and durability that's made Toyota the standard for quality you can count on.

**WE WARRANTY QUALITY 5100**  
1987 Toyota vehicles are covered by Toyota's 5-year or 100,000 km powertrain warranty (whichever comes first). See your dealer for details. \*See your dealer for details. \*\*See your dealer for details. \*\*\*See your dealer for details. \*\*\*\*See your dealer for details. \*\*\*\*\*See your dealer for details.

See your dealer for information about buying or leasing a Tercel or any of the other fine Toyota cars and trucks.

**WHO  
COULD ASK  
FOR ANYTHING  
MORE!**

# TOYOTA

CANADA'S WEEKLY NEWSMAGAZINE

## Maclean's

JUNE 15 1987, VOL. 100 NO. 24

### COVER

#### Canada's new deal

The negotiations took more than 89 hours, dragging on until dawn. But when Prime Minister Brian Mulroney and the 10 provincial premiers emerged last week, they had an agreement for bringing Quebec into the Constitution. And despite criticism, a *Marshall's* Angus Reid poll showed that most Canadians favoured the historic accord. —Page 8

COVER PHOTO: STEPHEN WILSON



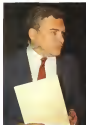
### CONTENTS

Business: Footnote	32
Canada's Cover	8
Cruze	44
Editorial	2
Finance	51
Federatinghouse	52
France	7
Gordon	39
Home	42
Letters	4
Newsweek	36
Ontario	10
Pakistan	38
People	38
Sports	45
The AIDS Crisis	46
Theatre	48
World	25



#### The battle for Britain

Critics say that Margaret Thatcher has divided Britain along economic lines. But opinion polls put the prime minister in the lead for this week's election. —Page 22



#### Birth of a media baron

In the midst of building an international newspaper empire, Toronto financier Conrad Black is on a shopping spree in Quebec and the northern United States. —Page 30



#### Confrontation and concern

Rubber-gloved police arrested anti-demonstrators as experts from around the world gathered in Washington to discuss the spread of the newest disease. —Page 49



#### A star's commencement

Actress Linda Hamilton had a head start as her President theme on the film *Lone Wolf*. At age 12, she starred in his controversial movie *Pretty Baby*. —Page 36



## American bidder

In your story "The \$5-billion man" (Cover, May 4), Amoco Canada Petroleum Ltd. president Don Stacy assures us that his company supports "the symbols, the ballet and other ceremonial events." Stacy says, "It is laughable for people to think that a company like Amoco would not operate in the interests of Canada," should it be its bid for Canada's Dome Petroleum Ltd. Such patting-on-the-back by an American corporate head in Canada is alarming. What is of interest in Canada is Amoco's attitude on the ecology and environmental problems in Canada's northern and arctic regions. Dome volunteered millions of dollars to lessen these risks, will Amoco be as amenable? Canadians who have experienced U.S. news on acid rain and other environmental issues have reason to be skeptical.

—PAUL WYNNON  
Montreal

## Arctic sovereignty

Your focus on Inuit traditions, in the context of Arctic sovereignty, was astute ("An epic arctic journey," Special Report, May 11). For millions, these Canadians and their ancestors appropriated the offshore and laid the foundation for a Canadian claim to "historic title" to sovereignty throughout the area. Arctovision sketches have recently overlooked the fact that the United States appropriated Delaware Bay and Chesapeake Bay by identically claiming "historic title." And the U.S. Supreme Court recognized native appropriations of the offshore in *Hawaii*. In fact, Canadian



Stacy, corporate responsibility

diplomats could hire a field day hating American jurists on their own patch.

—MARK DENNISON  
Ottawa

Your editorial of May 11, "A nuclear-free North," was most timely. Certainly, any proposal to use nuclear submarines to police our Northwest Passage and defend sovereignty, claims over the area "known to fuel Cold War hostilities." Your proposal to prohibit the Arctic "a nuclear-free zone" makes eminent good sense.

—MELBA STERNAT  
Fredericton

## The downfall of Hart

I am sick and tired of hearing about how American reporters left about Gary Hart's "poor" judgment regarding his alleged affair with Thorne Ryan ("The story of Scandal," Cover, May 18). It is ridiculous to assume that a presidential hopeful should be scrutinized in terms of his private life rather than what he says about public issues. Gary Hart should not have had to resign from his campaign. Now, it's only a matter of time before anyone with good "vibes" will decide not to run because of too much public scrutiny.—MARIA JOLYCEVIC  
Moncton

There is a universal law of cause and effect. This law is inescapable. Break it and it will eventually break you. It has been said, "To whom much is given, much is expected." The press didn't break Gary Hart, the "low" did.

—NORMAN WILKINSON,  
Braybrook, Alb.

Letters are edited and may be reprinted. Writers are asked to send address and telephone number along with correspondence to: Letters to the Editor, Maclean's Magazine, 300 Queen Street West, 777 King St., Toronto, Ont. M5V 1A7.

## PASSAGES

**DIED** Spanish classical guitar master Andrés Segovia, 85, who was still playing recitals as recently as two months ago, of a heart attack, at his Madrid home (page 50).

**DIED** Pioneer TV producer, journalist and teacher Ross McLaren, 62, who created such early CBC public affairs newsmagazines as *Tabloid*, *Close-Up* and *Quest*, of a heart attack, in Toronto (page 50).

**ASSASSINATED** Lebanese Prime Minister Rashid Karami, 55, after someone placed a bomb in an army helicopter on its way from Tripoli to Beirut (page 21).

**DIED** British-born stage director Peter Coo, 55, a former artistic director of Edmonton's Citadel Theatre, in a car accident, in England. In 1980, Coo had begun his third season at the Citadel and then resigned after a dispute with executive producer Joseph Shecter. Coo also was a Broadway success, but his career peaked in 1961 when his third wife was running simultaneously in London's West End, *The Miracle Worker*, *Oliver* and *The World of Sane Kling*.

**DIED** Veteran Canadian mountaineer and writer Roger Marshall, 45, on May 21 during an unsuccessful solo attempt to climb Mount Everest without the customary supply of bottled oxygen. The British-born, volunteer fell from the north face of the 29,000-ft mountain. Three Nepalese Sherpas who burned his body said that he had been killed on rock.

**DIED** Sweet-style handliner Sammy Kaye, 77, one of the most popular in North America during the 1940s, of cancer, in a Ridgewood, N.J., hospital. His slogan was "Singing and eating with Sammy Kaye," and his many hit records, in a sweet style descended from Carolinian big-band leader Guy Lombardo, included *Marble Lights* and *It Just Rains*.

**DIED** Six-foot, seven-inch American Indian actor Will Sampson, 53, best known for his role as Chief Brown in the 1970 film *On a Pale Horse Over the Border* and of kidney failure and related problems 63 days after undergoing a heart-lung transplant, in Houston.

**DIED** Jazz trombonist Melvin (Turk) Murphy, 71, founding father of the 1940s of the revival of traditional New Orleans-based jazz; of cancer, at his San Francisco home. He was the last active key figure of the revivalist school and played a Carnegie Hall concert in New York City in January of music nurtured by an association with such pioneers as Joe (King) Oliver, Ferdinand (Jelly Roll) Morton and Louis Armstrong.



# You've got 32 good reasons to read this booklet.

Your teeth are important. To your health. To your appearance. To the quality of your life. As dentists, it's our job to help you keep them.

The dental profession is committed to prevention. But prevention doesn't just happen. It depends on a good working relationship between patient and dentist—a relationship that ensures that problems, cost and discomfort are kept to a minimum.

To help build that kind of relationship, we've prepared a special booklet, called *The Consumer's Guide to Dental Care*.

It covers important topics like:

- ☐ How to choose a dentist
- ☐ How to keep your dental costs to a minimum
- ☐ How to get the most from your dental benefits plan
- ☐ The important questions to ask



Please send me one free copy of the *The Consumer's Guide To Dental Care*.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

PROVINCE \_\_\_\_\_

POSTAL CODE \_\_\_\_\_

Mail to: Canadian Dental Association  
Department of  
P.O. Box 2158  
Brampton, Ontario  
L6Y 5Y9

DENTAL HEALTH  
Good For Life

MOVING? CALL TOLL FREE

1-800-268-0057

OR COMPLETE THIS FORM AND MAIL AT LEAST 4 WEEKS BEFORE YOU MOVE.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

PROVINCE \_\_\_\_\_

POSTAL CODE \_\_\_\_\_

DATE \_\_\_\_\_

MAIL TO: CANADIAN DENTAL ASSOCIATION

# "WHY WOULD ANYBODY WANT MORE HOT WATER?"



"Since Hydro installed an electric water heater, I'm up to my ears in hot water and that means more baths. I hate baths! Before, there was never enough hot water but now there's lots of it."

**CAPACITY** Up to 40% more hot water than gas! Electric water heaters give you all the hot water you need when you need it.

**FLEXIBILITY** Electric water heaters are ideal companions to high efficiency furnaces since neither need chimneys. Electric water heaters can be located anywhere in your home and are available in two sizes.

**EFFICIENCY** With their direct heating ability, electric water heaters are 100% efficient in heating the water. And, with their excellent insulation, they keep the water hot up to 4 times more efficiently than gas.

Remember, no matter how you heat your water it pays to use it wisely.

FOR MORE INFORMATION CALL THE TELEPHONE NUMBER ON YOUR HYDRO BILL.

**EnerMark**  
The Electricity People

## FOLLOW-UP

### A spaceman's new orbit

He was one of major-league baseball's most celebrated accessories—a Californian analogue whose add-on will control him the week. Spaceman Bill Lee, the former Montreal Expos pitcher, once told three-hundred eighty-two home runs that he sprinkled marijuana on his morning pancakes. That was one of several controversies that Lee resigned before his release from the Expos in 1982 after four years with the team. After other major-league teams declined to sign him, Lee surprised baseball followers by following his career with the Montreal Expos, a minor-league team in New Brunswick, New Jersey. Lee is playing a comeback with a completely different pitch. Last month Lee announced that he would lead an American branch of the Bloc Quebecois party in the 1988 U.S. presidential election. Declared Lee: "Right now the earth is orbiting around the sun like a spaceship at 1,000 miles a minute. If I am the Spaceman, then I should be in charge."

Currently, Lee and the Bloc, a fringe party started in Canada and dedicated to lampooning the political process, have only a marginal U.S. political organization. Even in Canada, where in the 1984 federal election the party got 60,000 of the 325 million votes cast, the Blocs are now regrouping after disbanding for two years because of the 1986 death of party leader Jacques Parizeau. But Lee, a self-described ecologist, claims he is already considering a number of vice-presidential running mates. Among them are noted New Hampshire release J.D. Schinger, and Hunter S. Thompson, the gun-kicking originator of "gonzo journalism," whose works include *Fear and Loathing in Las Vegas* in 1971 and who in 1970 ran an unsuccessful campaign for sheriff of Aspen, Colo. Said Lee, author of the 1984 autobiography *The Whang Shag*: "I will carry the liberal vote, and Hunter will be great. I states that, like to arm themselves to the teeth."

So far, Lee's proposed campaign has attracted marginal interest from the U.S. media, partly because the Spaceman's orbit is far removed from the vortex of American politics. U.S. newspapers have had to contact the Montreal Times-Transcript to locate Lee, who with his Montreal-born wife, Pamela Fox, lives intermittently in New Brunswick, San Francisco and Montreal. Said Times-Transcript sportswriter Gerry McLaughlin: "The Village Voice was asking him recently: Nobody is ever

quite sure where to find Bill."

In May, Lee began his fourth season with the Montreal Expos, where managers staged a protest for him at a \$100-a-plate fund-raising breakfast for the team. Though his pitching talents have diminished, his sense of humor remains strong: "You do not roast somebody at

eight in the morning," he told the Mets supporters. "You punch them."

But it is unclear whether Lee is seriously committed to running an alternative presidential campaign. He has adapted comfortably to both Canada and his role as one of baseball's eccentric ambassadors. In August he will travel to Vlad Dost, Alaska, to pitch in a benefit game for minor-league baseball. "I like the pace of life up here," said Lee. "It just seems to be more civilized than the United States."

—DAN KIRKE (in Montreal)

1903

TORONTO'S MOST ELEGANT HOTEL

## Vintage excellence

It's something that touches every aspect of the King Edward, from the superbly trained staff to the charming, historic surroundings, to the location in the heart of the financial and theatre district. Might we suggest, we'd be a vintage selection for your next business trip.

A TimeShare Force Exclusive Hotel

HOTEL TIME SHARE NEW YORK: 800-451-1000 (TOLL FREE) 212-347-1000  
PLAN OF THE AMERICAN HOTEL, 1000-1000 (TOLL FREE) 212-347-1000  
37 King Edward Hotel, Toronto, Ontario, M5C 1A5. 416-593-7400 (TOLL FREE) 1-800-233-2433.



I can only be you,  
Charles!



COURVOISIER

LE COGNAC DES COGNACS

Le Cognac de Napa Valley

## COLUMN

# Gentle persuasion for the rich

By Diane Francis

Donald Harvie is just about done with his family's last few million—and that's the way he wants it. His father, Eric Harvie, a lawyer from Oshawa, Ont., became one of Canada's richest men after he purchased mineral rights in land near Edmonton in the 1940s for a reported \$12,000. After two of North America's biggest oilfields were discovered there in 1957 and 1968, partnership deals with tenets of companies yielded Eric a handsome profit, and by 1973 he had earned 180 million from the sale of his interests. In 1980 he created the Devonian Foundation, named after the geological formation where oil was struck beneath his acreage, and gave away millions of dollars. And now he died in 1975, his son, Donald, has continued that tradition of philanthropy.

By far, the foundation has spent more than \$75 million, mostly by supporting such innovative projects as the architecturally unique book-long atrium in Calgary called Devonian Gardens, and the Niagara Institute for international studies in Niagara-on-the-Lake, Ont. "Dad felt that if he did nothing, much of his fortune would go to the government in estate and succession duties," said Harvie, a successful Olympic swimmer and chairman of the Canada Inc. "But he also had a strong philosophy that it was all just a windfall and he had an obligation to use it to return to benefit Canadians."

As Ottawa prepares for another round of tax reform, the lesson to be learned from the philanthropic Harvies has not yet been learned. Before Jan. 1, 1973, Canada's wealthy families faced a heavy toll as the transfer of their wealth cost 36 per cent of those estates valued at more than \$250,000. Like Eric Harvie, however, they could avoid this by donations through foundations or trusts. But after Jan. 1, 1973, federal wealth, estate and gift taxes were eliminated, and provincial succession duties began to melt away. Canada is now one of the few countries without such taxes—and with no plans to resume them. "We have looked at an estate tax, but frankly it is not as effective form of taxation," Minister of State for Finance Thomas Flaherty told Maclean's recently. "It has in the past collected in a very small amount."

Still, Ottawa should reintroduce taxes on wealth, particularly since it is almost forced to pursue income-tax cuts

in lockstep with U.S. tax-reform cuts instituted last January. That will mean substantial tax-cut reductions. In fact, U.S. tax reform introduced even stiffer estate tax measures, closing up loopholes and making it possible for the government to seize up to 100 per cent of estates. True, estimates are that such taxes account for less than one per cent of Washington's revenues. But that is not the point. These taxes are rarely paid because governments allow the rich to divert the money into "worthwhile causes." Billions of dollars flow to charities, churches, universities, research, patronage of the arts or projects in the fields of education, religion or medicine.

That saves governments money by easing the pressure for government ownership. Indeed, estate taxes are one of the most useful levers a society can employ to reduce concentration of economic power, redistribute wealth

**Estate taxes are rarely paid because governments allow the rich to divert their money into 'worthwhile causes'**

and force even the stingiest rich person to subsidize some of the most worthwhile causes around. "We tell our clients, 'Do you want to choose the charity or do you want to let the government decide for you?'" said John Sanderson, tax partner with Arthur Young & Co. in Buffalo, N.Y. "That is the choice for the wealthy in this country."

In the United States, an individual can give away as tax-free gifts \$10,000 (U.S.) annually to any beneficiary, including relatives, and up to \$50,000 upon his death tax-free in assets, which include homes. Above that, post-reform federal tax rates will range from 15 to 26 per cent. There are also state death duties such as New York's, where anything above \$100,000 could be taxed by a combined rate of as much as 50 per cent. Such generous duties undoubtedly encourage a massive diversion of tax revenue to worthwhile causes. In fact, U.S. museums, art galleries, performing arts companies and colleges and universities already demonstrate "valuable" gift-free "directors of planned giving"—professionals who compete for bequests.

But despite the obvious benefits, the death of estate taxes has not been a political issue in Canada. Their disappearance began in 1907 in Alberta, which began to refund the provincial share of estate tax money. The reason: Alberta's ranching and oil communities were concerned that estate duties were so onerous that families would all out during their lifetimes and take the profits—even though the exception of \$250,000 excluded all but rich ranchers and all investors. In 1972, Ottawa scrapped estate taxes completely when it introduced capital gains taxes charged when assets changed hands, for example at death. Other provinces then felt forced to shed their succession duties in view of the capital gains burden—and also because their well-heeled residents were shifting assets to Alberta to take advantage of the tax break. The abandoning of succession duties spread until the last province, Quebec, gave them up in 1983.

Capital gains taxes are supposed to be paid on the difference between the value of assets when they are disposed of and the price paid for the assets or their value as of Jan. 1, 1972—when the tax began. But under the capital gains exemption, to reach \$300,000 per person by 1990, principal residences are excluded for tax purposes, and there is concern that the wealthy citizens will never pay capital gains taxes, no matter how large their empires, unless loopholes disappear. For one thing, back in 1972 running tax lawyers began transferring huge empires into trust funds for family members, often "voting trusts." Rules allowed them to defer capital gains taxes for 21 years from the inception of the trust. "Unfortunately, there are ways around it that any good lawyer knows," said Donald

Flaherty. "The point is that the rich are simply not pulling their weight in Canada. That fact is made even more striking by the twin whammy of government deficits and pressure on Ottawa to institute capital tax cuts. If we want to follow the American lead down the taxation road, then let us do so completely by reintroducing stiff estate and gift taxes, or by changing some of the trust loopholes that may allow indefinite deferral of capital gains taxes. While apparently not under consideration, such taxes are a meaningful way to attack concentration of power, level the taxation playing field and take pressure off government spending."



# CANADA'S NEW DEAL

**T**hey are either the new Fathers of Confederation—or the architects of the nation's dissolution. They have either brought Quebec back into the constitutional family—or salvaged the cherished ideal of One Canada humbled and unbroken. The nation's 11 first ministers descended into the dawn's early light last week, ending a marathon negotiating session with a historic agreement. But across the country the accord, hammered out over almost 50 hours around an oval wooden table in a downtown Ottawa boardroom, provoked slashing opinions—and passionate debate.

For Prime Minister Brian Mulroney and the 10 provincial premiers, the long night of wrangling had ended with unquestioned success. At 5:06 a.m., after a series of announcements by various premiers, they had put a new face on the nation's 120-year-old confederation, producing a continuous package of constitutional amendments that would secure for each of them a place in the history books of the 21st century. Declared a "day we welcome Quebec back to the Canadian constitutional family. Today we close one chapter in Canadian history and begin another."

**Distinct:** Most Canadians appeared to share Mulroney's optimism about the agreement, which recognized Quebec as a "distinct society" and diluted federal powers over shared-cost programs, immigration and Repression

Cost and Senate appointments. A Mulroney poll taken by Angus Reid Associates Inc. in the wake of last week's accord, indicated that 54 per cent of the 1,006 respondents supported the proposals, 27 per cent opposed them and 20 per cent were undecided (page 15). Just over 60 per cent said that former prime minister Pierre Trudeau had not changed their opinion of the accord when he issued a scathing denunciation of it two weeks ago. Although pollster Angus Reid detected comments about the effect of the accord on federal and provincial powers, he concluded, "Canada, for the most part, appear to be prepared to make certain concessions to see the matter dealt with."

But the poll only hinted at the ferocity of the debate over whether Mulroney

had failed too many federal powers to secure Quebec's blessing. The controversy split the Liberal party into factions and triggered smaller rifts within the Conservatives and New Democratic parties. It also drew scorn from academics, lawyers and such activist groups as the National Anti-Poverty Organization—many of whom condemned the haste which they said surrounded the final agreement. For the accord's supporters, such as Liberal leader John Turner, last week's deal was "a good one for Quebecers and a good one for all Canadians." Not Lester B. Pearson or Ed Broadbent issued a similar endorsement. But for opponents such as Stephen Scott, a constitutional law professor at Montreal's McGill University, the accord was a "they own, pay later" deal. Scott said, "Quebecers will never be able to stop paying, and they will never be able to cancel the contract."

**Strawman:** Strong words—and the debate had only begun. Both Parliament and all 31 provincial legislatures must ratify the accord after it is first introduced into Parliament or the assemblies of all 10 provinces. So all governments face a deadline. Manitoba, New Brunswick and Ontario—the only province with a minority government—pressed legislative committee hearings on the proposal late last week, in a nationally televised session. Mulroney also promised "uninterrupted public participation" in the debate—probably through hearings of a Joint Senate-Commons committee. But however strenuous the opposition, those committees may be unable to change the accord—because all 31 governments must consent to changing one or a single word or punctuation mark.

For Mulroney, the gain of securing Quebec's participation in the constitutional process clearly exceeded the loss

of federal power. "Because Quebec was not a signatory to the Constitution, there were two Canadians emerging from this government last office—those Canadians who had accepted the Constitution and those who had been left out," he said in his television address to the nation on Tuesday night. "Now there is one Canada, strong and united."

**Concern:** That unanimity was born in a brutal 59½-hour negotiating session that stretched from 10 a.m. on June 3 to 5:05 the next morning. Mulroney and the premiers had agreed on a package of six constitutional amendments on April 30—the so-called Meech Lake accord. But throughout May, as critics of the agreement gathered and Trudeau broke nearly three years of silence to denounce it, concern mounted over the wording of two of the six deals.

Both Ontario Premier David Peterson and Manitoba Premier How-

ard Panay were concerned about a provision that allowed a province to opt out of future national shared-cost programs and receive compensation if it undertook "its own initiative or programs compatible with national objectives." They wanted to ensure that provinces spent federal funds on programs that met federal criteria. Quebec Premier Robert Bourassa, in turn, wanted to ensure that the courts could not diminish the importance of a clause recognizing Quebec as a "distinct society." Peterson, in contrast, wanted to ensure that the distinct-society provision did not trample multicultural and aboriginal rights.

**Classified:** And so the negotiation began. In a personal account of the session for *Maclean's*, Prime Minister Mulroney wrote that by the 14th hour, "I had made it quite clear that we were going to go on until we either got an agreement, or didn't" (page

15). The premiers and Mulroney were seated in a fourth-floor boardroom of the Langtry building across from Parliament Hill with Norman Specter, secretary to the cabinet for federal-provincial relations, and Guyana Lemaire, an Alberta official who represented the provincial governments. The remaining federal and provincial bureaucrats gathered in a large conference room next door to the first ministers.

**Stretched:** During the day, night and early morning hours, premiers huddled in privacy with their advisors in small offices down the hall from the two large conference rooms. That physical layout determined how the negotiations operated. Mulroney and the premiers would draft a text, a strongplayer would make copies of that text, then the first ministers would carry the text to their delegations, discuss it and return to the room with their formal reactions. Newfoundland Premier Brian Peckford said that the process happened 15 to 20 times as the negotiations stretched through the night. "There were all kinds of new words coming up and new phrases and new proposals," Mulroney and the premiers began with a discussion of the spending-power clause—but initially failed to resolve their problems. After a cold lunch of ham on dark bread, they turned to the distinct-society provision, arguing throughout the afternoon and into the night. At 2 a.m. they finally settled on a text. The revised clause still recognizes that Quebec constitutes a "distinct society"—and that the role of the Quebec legislature and government is "to preserve and promote the distinct identity of Quebec." But the amended text no longer recognizes the existence of French-speaking Canada and English-speaking Canada. Instead, it recognizes "the existence of French-speaking Canadians, centered in Quebec but also present elsewhere in Canada, and of English-speaking Canadians, concentrated outside Quebec but also present in Quebec." The revision also stipulates that the distinct-society clause does not affect the powers of Parliament or the



Mulroney, Bourassa shake hands, constitutional family



First ministers signing Meech Lake Accord—architects of dissolution



Trudeau scolding





# VOICE OF THE PEOPLE

A country's constitution is its most important legal document, outlining the kind of society its citizens wish to create. Last week, as their leaders hammered out important changes to their Constitution behind the closed doors of Ottawa's Langevin Block, ordinary Canadians had a direct voice in what was being decided. But according to a poll conducted for Maclean's just hours after the Meech Lake accord was signed, their first judgment on the outcome is generally positive. Just over half of those surveyed (51 per cent) said that they approved the terms of the agreement, while 27 per cent expressed disapproval and 22 per cent were unsure.

Detailed results of the poll, conducted by Angus Reid Associates Inc. of Winnipeg on June 3 and 4, appear on the following two pages. It is the first national survey on the issue since the 11 first ministers concluded their deal in the early hours of last Wednesday morning. And it is the first measure of public opinion since former prime minister Pierre Trudeau dramatically pushed the issue to the forefront of national concerns with his stinging attack on the Meech Lake accord.

**Goals Prime Minister Brian Mulroney** almost certainly will welcome the main findings of the *Maclean's* poll. Mulroney made achieving constitutional reconciliation with Quebec a major goal of his government, and the survey shows that last week's agreement's most popular theme—61 per cent approved the accord—the highest level of any region—compared to just 16 per cent who expressed disapproval. The lowest approval rating (46 per cent) was in Ontario—traditionally most supportive of strong central government.

The numbers are also favorable for Mulroney personally. Those surveyed were evenly divided on whether the Prime Minister handled the issue well—but pollster Angus Reid noted that that is a big improvement over the dismal approval ratings of 29 to 25 per cent that Mulroney has received in other polls. "Clearly, Brian Mulroney has gained some momentum out of this," said Reid. "In the

short run it's likely to give the Tories a boost."

For Trudeau, the survey's findings were less encouraging. When he made his attack on the accord two weeks ago, Trudeau immediately attracted enormous attention, but he attracted much less support for his position: fully 55 per cent of those surveyed said that Trudeau's policies did not change their views on Meech Lake, while just 17 per cent said that he made them feel more positive toward the deal and 12 per cent felt better about it.

Reid concluded that Trudeau and his constitutional vision of Canada are out of step with public opinion, while the more decentralized model put forward in last week's agreement has gathered considerable support. "I think we are dealing



Mulroney signing final draft of accord in private session with premiers; welcomes findings.

with two paradigms of Canada," said Reid, "and the Trudeau paradigm just does not appear to be where the Canadian people are right now."

Still, the poll detected uneasiness about several aspects of the accord—and uncertainty about what it will mean for the country in the long run. The biggest single group of those surveyed (36 per cent) said that Canada will be better off, but more than a fifth (22 per cent) said that it will be worse off. And outside Quebec, fully 56 per cent disapproved of describing the province as a "distinct society."

Reid noted that some of the uncertainty may be due to the fact that 66 per cent of respondents said that they followed the constitutional issue not very closely or not at all, with only 36 per cent following it very closely. Despite last week's blast of publicity, said Reid, "for a lot of the country there's probably a big yawn over this."

—ANDREW PHILLIPS in Toronto

## THE MACLEAN'S POLL

The survey of 1,008 Canadians was conducted on June 3 and 4. The details:

		Total	West	Ontario	Quebec	Atlantic
1 The provinces will have a say in appointing Supreme Court judges and senators.	Approve	71	73	64	78	68
	Disapprove	15	16	21	8	11
	Don't know/ Won't say	14	11	15	13	21
2 Future changes to federal institutions, or granting provincial status to territories, will require agreement by Ottawa and all provinces.	Approve	63	57	56	76	64
	Disapprove	27	32	33	15	23
	Don't know/ Won't say	10	11	8	8	13
3 Provinces can opt out of new national programs and receive money from Ottawa for their own programs if they meet national objectives.	Approve	55	50	45	74	57
	Disapprove	34	36	43	20	34
	Don't know/ Won't say	11	14	12	6	9
4 Quebec is recognized as a "distinct society" within Canada.	Approve	48	37	38	77	40
	Disapprove	46	57	58	15	53
	Don't know/ Won't say	6	6	4	8	7
5 Overall, do you approve or disapprove of the new constitutional agreement?	Approve	51	47	46	61	57
	Disapprove	27	32	33	16	16
	Don't know/ Won't say	22	21	21	23	25
6 Do you think that the accord gave too much to Quebec, just the right amount or not enough?	Too much	35	47	46	3	38
	Right amount	27	20	23	42	27
	Not enough	16	2	4	30	3
7 After the Meech Lake agreement is passed, do you think that the provinces will have too much power, the right amount or not enough?	Too much	25	26	35	12	18
	Right amount	41	41	36	48	43
	Not enough	15	16	10	19	20
	Don't know/ Won't say	19	15	16	22	16

## The Maclean's Poll, cont.

8	As a result of the agreement, do you think Canada will be better off in the long run, worse off or unaffected?	Better off	36	34	32	44	38	
		Worse off	22	28	28	9	14	
		Unaffected	24	29	23	27	32	
		Don't know/ Won't say	18	16	17	20	15	
9	Do you think English-French relations will improve because of it, worsen or stay the same?	Improve	21	16	20	27	27	
		Worsen	21	25	25	11	13	
		No difference	47	48	47	50	48	
		Don't know/ Won't say	11	11	8	12	14	
10	Former prime minister Pierre Trudeau publicly criticized the agreement. Do you think he was right or wrong to speak out?	Right	62	72	64	50	57	
		Wrong	32	26	32	37	38	
		Don't know/ Won't say	8	2	4	13	7	
11	Did Trudeau's criticisms make you feel more positive about the agreement, more negative or did they not affect your opinion?	More positive	12	8	12	12	15	
		More negative	17	28	22	8	18	
		No effect	63	63	66	74	50	
		Don't know/ Won't say	8	8	6	8	16	
12	Rating the performance of the political leaders during the constitutional negotiations:							
		● Prime Minister Brian Mulroney	Approve	43	41	36	51	50
		Disapprove	40	42	50	28	30	
		Don't know/ Won't say	17	17	14	21	20	
	● Liberal Leader John Turner	Approve	23	19	21	28	38	
		Disapprove	34	38	36	28	34	
		Don't know/ Won't say	43	43	43	44	36	
	● New Democratic Leader Ed Broadbent	Approve	33	31	33	35	40	
		Disapprove	20	24	19	17	18	
		Don't know/ Won't say	47	45	48	48	41	

Prime Minister Brian Mulroney presided over the marathon bargaining session that led to last week's constitutional agreement. In the following article, written for Maclean's, the Prime Minister gives his own account of that momentous day and night.

It's not for almost 26 consecutive hours, from mid-morning of one day to the dawn of the next.

We were 11 Canadians, from diverse backgrounds, from different political parties and different regions of Canada. Around that oval table, in the fourth-floor boardroom of the Levein Block, all the partners of Canada were trying to finalize a new deal for Canada.

When we came into office, we had an opportunity, so any new government would, to give the country a fresh start. We tried to do that in a number of areas: economic, social and foreign policy.

**Headings:** But the constitutional issue was so important because it defined the terms of our living together, of our future together as Canadians. And Canadians knew it was a time for looking in the land.

But the challenge was flesh: We were trying to accommodate Quebec's agenda and that of the other regions, within the national interest, and in a manner consistent with the responsibilities of the national government.

So it was difficult, as we all suspected it might be. It's one thing to achieve agreement in principle, as we were able to do at Meech Lake. It's quite another to reach final agreement as a legal text, representing the consensus of all governments.

And the Meech Lake agreement stimulated a tremendous degree of public interest, not just in Quebec, where the constitutional issue has always been a public-policy priority, but right across the country. The Meech

# BEHIND CLOSED DOORS

By Brian Mulroney



Federal official Norman Sinclair lobbies with Roussin, Mulroney; crutch

Lake accord came under close scrutiny, as it should have, since what we're talking about here is the Canadian social contract. So there was a strong desire among us to improve the accord in a number of areas, and I think the final text reflects those improvements.

**Key:** I'm not going to pretend that there weren't a couple of moments there when I wondered if we could maintain the agreement. We had real problems in a couple of points—Quebec's distinct society and the spending power provisions—where we had to negotiate the outstanding issues and accommodate different concerns.

The key question was whether the po-

litical will still was there. And when it emerged, it was. All the previous came through, not only for their own provinces but for the country.

The other premiers knew that Quebec Premier Robert Bourassa needed some substantial assurances on the distinct society, and we all wanted to recognize minority language rights guarantees within that framework. So there was accommodation of Mr. Bourassa's position. Premier David Peterson had some concerns as well, that were appreciated around the table, and we were able to put in some important language on aboriginal rights and the multicultural aspect of Canada.

**Cleary:** That was shortly after midnight, and by then we'd already been at it for 14 hours. People were getting pretty tired, but by then I had made it quite clear that we were going to go as far as we could get, as an agreement, or didn't.

But we still had to finalize the spending power, and that proved to be a tough one, too. On this question, the other premiers needed a signal from Mr. Bourassa, and at about two o'clock we started to get some movement.

On the question of getting out with compensation from new shared-cost programs in areas of exclusive provincial jurisdiction, many first ministers expressed a preference for a wording in the federal government's text in establishing programs in this area, responsiveness to be paid to provinces that establish programs compatible with the national objectives.

Premiers Howard Pusey (of Manitoba) and Peterson, for example, expressed special concerns in this area. I had stated clearly in the House that the federal government's right to establish such programs was unchanged and that the wording should reflect that. That was done and accepted by all and should provide provinces

with the necessary flexibility in designing programs.

At that point it was nearly four in the morning. I called for one last break to give them all a chance to think it over, and then we went around the table one last time. When the crunch came, everybody was with us.

The first ministers had all been both eloquent and explicit in defending their views and promoting Canada's well-being. There had been tension and tough issues, but also good humor and a sense of compromise. In the end I think we all too tired to be afraid about it, but we knew we had done a good day's work for Canada.

**Sacrifices:** Resolving the issue of Quebec's signature on our Constitution was one of the hardest I went into public life four years ago, and why some people, at considerable personal sacrifice, agreed to come to Ottawa with me. I didn't know whether we would succeed, but I knew we had to try. I also knew we had to keep expectations to a realistic level while we were establishing the principles and the process.

I outlined the principles of my undertaking and strategy quite clearly in the *Septiles* speech in the 1984 election campaign. Mr. Bourassa did likewise in the 1985 Quebec campaign. He came forward with five proposals that accommodated Quebec's constitutional agenda, but were all disavowed from the perspective of the federal government and the other provinces.

Then it was up to the premiers to decide if they wanted to deal with this issue first before moving to other issues with Mr. Bourassa. They did so at Edmonton last summer, and that finally brought the 11 first ministers to Meach Lake on April 30.

So this has been a long, challenging business. But because it was such a delicate matter, it had to be carried out with the greatest care. Canada could not afford another constitutional failure. Since 1980, we have been witnessing the slow but measurable emergence of two Canadas—one representing those who had accepted the Constitution,

and the other those who had not. This unfortunate division could, with the passage of time, have had damaging consequences for our country. The Meach Lake accord means there is now one Canada—strong and united.

So what kind of country are we talking about here? First of all, the kind of

body asked whether you were Catholic or Protestant, French or English. And as my strongest supporter of Canada has always been of a tolerant society.

The final second very much reflects that. Our approach is one of consensus rather than conflict, not because it is the easy way but because it is the right way, and because it corresponds to the way Canadians see themselves and the country.

When you lift these constitutional issues off the page, when you strip them of the legal jargon, they will have the practical effect of bringing Canadians together—in the Supreme Court nomination process, in the Senate appointment process, in the spending power process.

**Equal:** As a matter of form, governments will be seeking to accommodate their differences rather than aggravating them. And all provinces will be equal in this exercise.

And the amendments are very much in our Canadian constitutional tradition of balancing collective rights with individual rights. We are not a melting pot but a mosaic of strong and diverse cultural heritages. You see that in the distinct-society clause, non-recognition of the simple reality of Quebec while protecting our linguistic minorities throughout Canada.

It's the same spirit that motivated the language and aboriginal rights and multiculturalism.

This entire agreement derives from the Canadian perspective, which reconciles legitimate interests within one strong and united Canada. That's what last week's first ministers' meeting was about. When it was finally over, I think it was about 30 just five in the morning. I went down to my office to make a few minutes before going out to meet the media. All the people on our team were there. They had done a great job and I wanted to thank them.

It was getting light out. And someone in the room said, "It really is the beginning of a new day." So then we went down and out the Elgin Street door to meet with those people who had been waiting all these hours for any word. ☐



Pelletier, Mulroney in private session: all the premiers came through.

## MULRONEY'S MAGIC MOMENT

Even before he became leader of the country, Brian Mulroney used to tell friends that he wanted to "live in history." Mulroney wanted to be remembered not just as a prime minister—but as the Prime Minister who brought Quebec into the Constitution. The fulfillment of that dream moved a giant step closer last week when Quebec Premier Robert Bourassa signed a constitutional accord after 19½ hours of intense negotiations. The other nine premiers who helped to forge the agreement looked on as Mulroney, that same politician and constitutional scholar who was highly critical, saying that Mulroney paid too high a price to reach his goal. Said Robert Jackson, a political scientist at Ottawa's Carleton University: "He has definitely got himself a place in history, but where is the place?"

**Melod:** Answers to that question varied as widely as reaction to the accord itself. Supporters hailed Mulroney as a new Father of Confederation. His critics said that he has given the province powers that will prevent Ottawa from effectively governing the country.

The public, according to a poll conducted for *Maclean's* last week, was evenly divided. Forty-three per cent approved of the Prime Minister's performance as the issue, while 40 per cent expressed disapproval.

Mulroney entered the constitutional talks badly needing a victory. Since becoming Prime Minister in 1984, his public image has often been that of an ineffectual politician leading a scandal-plagued government. Mulroney needed change, that perception in order to improve his party's popularity before the next election—and even some of his critics acknowledged that the Meach Lake accord may help. Jean-Luc Poirer, a former Liberal cabinet minister who was co-chairman of the 1977 to 1978 Task Force on Canadian Unity, offered support for the accord and called the Prime Minister "a shrewd and intelligent politician." Added Poirer: "The message this thing has sent is that the thing is negotiable."

Mulroney's political fortunes could also be helped because of the problems that the constitutional arrangement created for the leaders of the two opposition parties. Both the Liberals'

Jean Turner and the New Democrats' Ed Broadbent endorsed the new deal, although both called for some changes. However, their parties are divided, largely along linguistic lines, over Meach Lake. About 10 of the 40 Liberal MPs have expressed serious reservations or outright opposition to the accord. Turner refused to show up during nationally televised speech on Thursday night, saying, "I will quite frankly admit that the past month has been a difficult one, both for me and for my party."

Broadbent's problems rest largely with his Quebec wing. The party's Quebec leader, Jean-Paul Blais, has voiced strong opposition to the pact. Greg Pyne, a political scientist at Acadia University in Wolfville, N.S., said that the two opposition leaders, assuming the public is "educated" with constitutional wars, have deliberately avoided confronting Mulroney as the subject. They probably believed, Pyne said, that the more conflict they generated on the issue, "the more likely they would hurt in the polls."

**Stance:** Mulroney's friends denied criticism last week that the Prime Minister's drive for a deal was based largely on his determination to increase the Tories' standing in Quebec. Conservative Senator Jean Beaudet, for one, noted that Mulroney has delayed constitutional issues closely since university days. While students at Laval University in Quebec City, Beaudet and Mulroney helped organize the 1962 Congress of Canadian Affairs. The five-day event started such political Quebecers as Jean-Jacques Lévesque and Jean Lesage, and was regarded as an important milestone in Quebec's Quiet Revolution.

Still, there was a little doubt that the accord will help the Conservatives' popularity in Quebec. Senator Lowell Murray, the federal-provincial relations minister, said in an interview that the Conservative party "has been waiting for an achievement like this since the day Louis St. Laurent was named." Added Murray: "It doesn't stop here. My guess is that by the end of this calendar year, all of our major initiatives will start coming up right for us and so will the polls."

—PAUL GIBBARD in Ottawa



## Take the test and take it easy!

Over \$40,000 in prizes\*

We want to know what you like about legendary La-Z-Boy comfort. Come into our store before June 30, 1987, comfort cost any great La-Z-Boy product and you can participate in our instant win and sweepstakes contest. So comfort test our great selection of La-Z-Boy products, you may win one of hundreds of prizes.

**La-Z-Boy**  
Comfort. Made in Canada.

# A defence plan for Canada

Last October, Defence Minister Pierre Beatty found himself on the tarmac at the small, remote, hilly air base of one of Canada's 20-year-old Canadian submarines off the coast of Nova Scotia. He had only been in the job three months as he stood on the ship's deck, looking out at the grey-green Atlantic as an outboard Sea King anti-submarine helicopter hovered overhead. Only weeks before, Beatty had denounced the choppers as obsolete equipment which should be replaced. Now he waited as one of the aircraft prepared to swoosh him into the air in a doughnut-shaped sling and transfer him to HMS Ottawa, a destroyer that had celebrated its 20th birthday that summer. As Beatty told Maclean's last week after presenting his defence white paper to Parliament: "That kind of experience really focuses your attention."

Beatty's firsthand encounter confirmed his view that the Canadian military was in desperate need of new hardware. And last week he committed the government to doing something about it. In the long-awaited white paper, he announced plans for a massive campaign to rebuild the country's depleted Armed Forces. The total cost of Beatty's policy proposals, \$208 billion. The paper, the first review of Canada's defence needs in 16 years, signals the government's intention to build a fleet of nuclear submarines, develop and deploy a surveillance satellite in space, jungle NATO commitments in Western Europe and purchase new planes, ships and tanks. Defence spending is to rise by at least two per cent a year over 10 years. The costs of new equipment could push the final figure over \$200 billion, but Beatty decided that it was worth the price. Said an senior government official: "Beatty deliberately cast his sights at getting the war machine back in shape."

For the most part, the paper confirmed the two mainstays of Canada's post-Soviet World War defence policy: joint defence of Canadian airspace with the United States through the North American Aerospace Defence Command (NORAD), and a strong commitment to the defence of Europe through NATO.

The most far-reaching change in policy will take place at home. Canada's long-mooted plan to increase its active (threefold) to 90,000 troops, making it roughly equal in size to the regu-

lar forces. And for the first time, Canada will pay more than lip service to the defence of its western and northern boundaries. Under Beatty's new blueprint, the Canadian navy—traditionally concentrated in Halifax—will be more evenly distributed between the Pacific and Atlantic coasts. And the new fleet of 18 to 22 nuclear-powered submarines will be the first fleet given



Beatty's firsthand encounter with obsolete equipment

Canada the capability to patrol and defend its Arctic waters. One senior defence adviser described the new approach as "Canada first-ism." He added: "It is a clear shift of the centre of gravity of Canadian defence policy westward and northward, and the vehicle to shift that centre is the navy."

The Conservative government had promised an early defence review during the 1984 election campaign. But the project languished under two defence ministers until Beatty, 37, assumed the post last June. The new minister set to work quickly—one official said that he joined "drawers full" of early drafts of

the paper. Last week, military officers declared themselves delighted with the results. Said one Pacific Marine, chief of defence staff: "I can't think of a single recommendation of the department that has not been brought into the white paper."

Both opposition parties supported Beatty's proposal for an increase in defence spending of at least two per cent per year. But the Liberal and New Democratic Party defence critics condemned Beatty's decision to buy the nuclear-powered submarines. Liberal Douglas Frith said that the purchase would draw Canada into "a dangerous cat-and-mouse game of outpowering strategies."

Indeed, the decision to purchase nuclear submarines is likely to be the most contentious part of the new defence plan. According to Beatty, the total cost of the subs would be \$7-8 billion—making it Canada's most expensive defence purchase ever. But Beatty said that the purchase would not threaten other defence programs. Ottawa would save the money by cancelling one of the three batches of 30 anti-submarine frigates promised to the navy and diverting funds set aside for the replacement of Canada's three diesel-powered submarines.

Beatty acknowledged that nuclear-powered submarines are more expensive than conventional vessels, but said that they are worth the extra cost. They are faster, can stay underwater for months and are the only submarines capable of operating in the Arctic. Diesel-powered submarines must surface regularly to take in air—a dangerous and sometimes impossible feat under the Arctic ice pack.

But critics said that a fleet of nuclear submarines could draw Canada into an aggressive new U.S. defence strategy. Under the new plan, U.S. attack submarines would penetrate into the Soviet Barents

Because you care enough to give the best.



***We've got a  
new measure...  
You've got new  
opportunities!***

The Toronto 35 Index and new futures and options contracts based on the index became a reality on May 27. This exciting new measure is an excellent barometer of the overall Toronto Stock Exchange market – and more. Toronto 35 stocks are 35 of our most active traders with an international profile. Now you can use the Toronto 35 Index to quickly and accurately track the price performance of these key Canadian companies.

### Why a new index?

The Thrane 35 will not replace the TSE 300 Composite Index, our major market indicator. Instead, this index was designed to do a different job—to provide you with exciting, new investment opportunities!

*A world of opportunity*

The Toronto 35 is the first index for a range of new products that will benefit investors large and small. The stocks on the index reflect the core holdings of many institutions while its method of calculation ensures it genuinely represents the wider TSE market. This is an index which should have an enthusiastic following, offering Canadians

and global investors alike the opportunity to "buy Canada" with ease.

**A choice of new products**

The range of exciting derivative products based on the Toronto 35 signals the beginning of a new era in the trading of options and futures in Canada.

These contracts will allow investors to buy or sell the sole market to one.

decision. The Toronto Stock Exchange is launching T30, an easily understood options contract. At the Toronto Futures exchange trading will use a contract, T3F. These contracts create a world of trading for investors.

begin in a futures contract, TCF. Together these contracts create a whole new world of trading opportunities for investors.

I would like more information on:

- ☐ The Toronto 16 Index    ☐ The Toronto 35-Spinners Contract  
☐ The Toronto 35-Futures Contract

1.11

☐ as individual number ☐ as institutional number☐ a member of the technology industry

100

444

Pharm

These contracts have attractive features designed to widely appeal to individual and institutional investors. Call your broker or The Exchange for more information. Or clip the attached coupon.

**TORONTO 35 INDEX**

**Beta Aluminum Limited**  
Bank of Montreal  
Bank of Nova Scotia  
Canada Enterprises Inc.  
New Water Industries Ltd.  
C&I Industries Ltd.  
Canadian Imperial Bank of Commerce  
Central Pacific Canada  
Comstock Tire Corporation Limited  
Dome Mines Limited  
Edco Bay Metals Ltd.  
Horsepower Limited  
Jolt Canada Company  
Imperial Limited  
Imperial Oil Limited "A"  
Inco Limited  
International Thermostat Corporation Ltd.  
Lacdiff Transportation Limited  
Leclerc Frères Limited  
Monsieur Desjardins & Co.  
National Steel Limited  
Norman Inc.  
Northern Telecom Limited  
Norwest Air Alberta Corporation  
Pacer Development  
Pembroke Corporation of Canada  
Pineau Ouellet Limited  
The Royal Bank of Canada  
The Seagram Company Ltd.  
Stern Canada Inc.  
Storcon Inc.  
Stratcan Inc.  
Sun Life "A"  
The Toronto Dominion Bank  
Transcontinental Corporation "A"

**TORONTO  
35 INDEX**

### A MEASURE OF OPPORTUNITY

The Toronto Stock Exchange  
The Toronto Futures Exchange  
2 First Canadian Place  
Toronto, Ontario M5X 1A1  
(416) 597-4447  
Toll free 1 800 387 8776



Canadian soldiers during NATO exercise in West Germany: desperate need for new hardware

Yes, the arctic home of the Soviet boke-tic-indeceivance fleet. Retired Admiral Robert Fidler has labelled it a "Rimba-type of strategy." And that defence critic Derek Blackburn has warned that in times of crisis, Canada's nuclear submarines would be drawn into that strategy. Said Blackburn, "If Washington thinks they are needed, they will be used." But Bratty defended the submarine program: "Somebody's navy will be in use North, whether it's Soviet, American or Canadian," he said. "I want to make sure it's Canadian."

As the US Defense officials have complained privately that they prefer that Canada spend its money on rearmament of its forces in Europe. According to the white paper, Canada will send its long-standing commitment to send a brigade and two fighter squadrons—5,500 people—to Norway in case of crisis (Europe), an emergency force Canada would join Canada's 5,500 strong force in southern Germany at a larger division headquarters. As well, new tanks and equipment will be based in Europe, providing the force with the capability of doubling its size to division strength.

In addition, the white paper includes an expensive shopping list of new equipment. Heavyweight plans to acquire a second batch of six new frigates at a price of \$3.5 billion over eight years, supplementing six now being built in New Brunswick and Quebec. As well, Ottawa will

spend \$1.6 billion on 38 to 50 new antiairborne helicopters to replace the 1960s-vintage Sea Kings. Ottawa also will go ahead with the new \$600-million North Warning System and upgrade Arctic airfields for deploy-

—RELAYS: MCKENZIE and BRUCE CLARK —  
Orbits with CHESS, BOOGEY and BOLDY.

ment of cr-18 fighter jets. Other proposed purchases

• A \$75-million network of sensitive listening devices to detect submarines passing through the narrow passages of the Canadian Arctic.

- A flotilla of 30 mine-warships, including Canada's first batch of minesweepers since the early 1960s. Cost: \$800 million.

• Six maritime long-range patrol aircraft to supplement Canada's 18 Aurora antisubmarine aircraft—at \$340 million.

- Upgrading of dated Tracker short-range antiaircraft aircraft at an as yet undetermined cost.

• Ten to 12 CF-16 fighters, Italy used aircraft purchased from the U.S. navy.

• A northern training centre in the high Arctic for troops, and extra support for the Canadian

na Rangers, a reserve force composed largely of Inuit and Indians.

- Unspecified funds for research on space-based surveillance systems.

For well-to-do defense contractors, that list represents a mine of lucrative contracts. The richest of them—the submarine program—has already triggered an international marketing war. Only three western countries build submarines. The British-made *Trident* offends have sailed out the giant U.S.-made Los Angeles-class attack submarines—they cost \$2 billion each—leaving French and British manufacturers jockeying for the contract. Defense officials are believed to favor the British-made *Trident*-class submarine over the French-built *Anastasyev*-class vessel. The *Trident* has more expensive—\$425 million versus \$290 million—versus \$250 million for its French rival—but its proponents note that it is larger, faster and quieter.

Bentley acknowledged that additional pressure on the federal budget could threaten that too. But he said that he is determined to press for a massive re-equipping of the Armed Forces. "We could meet our defense needs by having somebody else do the job," he said. "It would be cheaper to do so, but the price that we pay is in our nationhood. It would be tragic if we surrendered that."

# B.C.'s low-key day of protest

Considering the anger that preceded last week's one-day general strike in British Columbia was an almost tranquil affair. The buses did not run. Schools, libraries and liquor stores were closed. Garbage lay uncollected. The fleet of ferries that connects Vancouver Island and other coastal communities with the mainland remained in dock. And students and

the overthrow of the government by unlawful means. "That is not high political protest," Smith said of the strike. "That is an illegal conspiracy."

Labour leaders and opposition politicians anxiously monitored the writ as a dramatic search for the right of freedom of speech and assembly. In his application to the court on behalf of the 26,000-member Hospital Employ-

ment Union, Vancouver Island's premier, William Bennett Stoffer, Vander Zalm said, was essential to attracting capital investment and reviving the province's economy.

But the fight over Bill 19, which aimed to promote labor peace by giving the government sweeping powers to intervene in labor disputes, appears to have had the opposite effect. Already, it has reinforced the province's reputation for labor unrest—even though B.C. government statistics show that 95 per cent of all contracts are settled without work stoppages, and wage increases last year averaged only 1.8 per cent. Donald Saunders, chairman of Forest Industrial Relations Ltd., which bargains with unions for a number of forest companies, said that the one-day strike cost the industry \$38 million in lost revenues—but much more in terms of credibility. Added James Mathen, president of the Business Council of British Columbia: "We're talking millions of dollars in direct losses and an intangible loss to our reputation as a secure supplier."

The effect of the dispute on Vander Zalm's political standing was harder to measure. His government was elected last October with 49 per cent of the vote. But a provincewide poll conducted for The Vancouver Sun by independent Markland Marketing Research five days before the strike showed that 54 per cent of those surveyed were dissatisfied with the government's performance, while 49 per cent were satisfied. The same poll showed that while opponents of the general strike slightly outnumbered supporters of the action, 42 per cent were against Bill 19 and just 27 per cent were in favor. Reid Lees Shroy, president of United Communications Research Inc., another private Vancouver polling company, "While the polls say labor has enjoyed too much power, they're very much against confrontation in B.C. Vander Zalm's style is directly responsible for his decline in popularity."

At the heart of the controversy is a sweeping reform of the province's labor laws introduced on April 5, Bill 19 originally proposed to give the new industrial relations commissioner, Ed Peck, extraordinary powers to end labor disputes that he considered harmful to the public interest. The commissioner would have the option of arranging a settlement through binding

arbitration or appointing a mediator acting under his guidance. Critics say those powers, among others, would undermine the process of free collective bargaining. And they accused the B.C. government of trying to dominate the province.

A second piece of legislation, Bill 10, would give teachers the long-sought right to strike but require them to organize unions at the local level and would also require membership in the International B.C. Teachers Federation. Critics said the result would be to enslave the federation and ultimately weaken teachers' bargaining power.

After labor protests, the government last month tabled 48 amendments to Bill 19. The changes would transfer some of Peck's proposed new powers to the provincial labor minister and the legislature. The government also removed several other provisions that labor feared authoritarian, including the right of employers at unionized companies to hire nonunion apprentices and the right of nonunion workers hired during a strike to vote on contract offers. But the revised bill would still make it easier for employers whose workers are subjected to out-of-jurisdiction subsidiaries and would restrict a union's right to discipline workers who refuse to go on strike.

Labour's response to the bill has been strong but restrained. The low-key tone of last week's strike contrasted sharply with the angry rallies and protests staged in 1982, when nearly 40,000 people marched onto the streets to protest Bennett's economic restraint program. But the government's court action against unions has concentrated the conflict. Late last week, in an apparent attempt to distance himself from the controversy, Vander Zalm said the Supreme Court writ had been Smith's idea. A second writ filed with the court last month—this time against the unions—has the first. It seeks a temporary injunction against illegal strikes until the original writ goes to trial.

Although the unions said that they plan to move forward with their campaign of noncooperation will continue. That includes a ban on overtime, working-contracts by adhering to the letter of contracts and a refusal to obey the provisions of Bill 19 when it is enacted later this month. Meanwhile, some teachers who struck for a day last month—have refused to participate in extraordinary activities for the province's 260,000 students. Given the mood on both sides after last week, Canada's most politically polarized province seemed destined for yet another summer of discontent.

—JANE O'HARA with DEANE LUCKER in Vancouver



Teachers sit in front of Coquitlam secondary school during strike disruption.

pulp mills grinding to a halt. But with no pickets or mass picketing, the walkout by as many as 200,000 workers protesting a new provincial labor bill seemed at times more like a public holiday than a day of protest. Indeed, many British Columbians simply treated the Monday walkout as an opportunity to take a three-day weekend.

But if the public appeared indifferent, the province's Social Credit government was anything but. Premier William Vander Zalm promised to keep ahead with Bill 19, the disputed industrial relations reform act, in spite of the labor protest. And just hours after the first pickets went up, Attorney General Brian Smith filed a severely worded writ in B.C. Supreme Court seeking an injunction to halt further work stoppages until Bill 19 is passed. The wording of the document closely resembled a section of the federal Criminal Code dealing with sedition—

of Union, one of the defendants in the writ, former B.C. Supreme Court judge Thomas Berger, called it "an assault on fundamental freedoms so complete that it might not be to be countenanced in a free and democratic society." And critics predicted trouble if the government did not change its hard-line stance on the bill. Said New Democratic Party M.L.A. Colin Cabello: "They're going to break years of havoc if they proceed with this."

The increasingly bitter tone of the conflict was given new force by Vander Zalm. When he was elected premier eight months ago, he promised to end the confrontational style that characterized the 11-year ten-



Vander Zalm's brother

IMPORTED - IMPORTÉ

**Tanqueray**

SPECIAL DRY EXTRA SEC

Imported by Charles Tanqueray & Co., Ltd., London, England

40% ALC/VOL

CHARLES TANQUERAY & CO. LTD. LONDON, ENGLAND

PRODUCE OF ENGLAND

PRODUCT SINGAPORE

Fabulous.



Thatcher and husband Denis feeding the ducks in St. James's Park: propriety, deprivation and the accident

WORLD

## The battle for Britain

**T**o campaigning British Prime Minister Margaret Thatcher, London's over-developed docklands are a showman of her efforts to revive Britain's economy—"a classic example of free enterprise and Toryism at work," as she recently put it. The area, only six kilometres east of Westminster, was once a barren landscape of empty warehouses and vacant lots. But now, spurred on by a government-backed redevelopment program, the docklands are being transformed "A lot of young, upwardly mobile people are moving into the area," said John Pennell, 35, a beer importer who recently bought a \$350,000 house in Copper Quay, a fashionable townhouse community near the Thames. Like many of his neighbors, Pennell says that he intends to vote Conservative in this week's general election. Added Pennell: "You have to give Maggie credit for restoring a mood of confidence in

this country. She's made me proud to be British."

But only a few blocks from Pennell's home is another side of Thatcher's Britain. There, more than 1,000 low-paid and unemployed people live in a government-subsidized housing project, surrounded by spray-painted graffiti and heaps of rotting garbage. And Barbara Harris, 45, a longtime resident who lost her job as a cleaner in 1980 and now lives on a weekly old-age pension "I said when the first girl is that Thatcher would make a mess of this country. It's all right for the rich folks, I suppose, but what about us? There's no work and no future."

For many voters, that contrast between prosperity and deprivation is the central issue in the June 19 election. During her eight years in office, Thatcher, 52, has cut taxes, lifted the controls and fostered a new spirit of enterprise and initiative, overturning decades of economic decline. In the past

year Britain's economy has expanded by 3.6 per cent—the fastest growth rate of any Western industrialized nation. But Thatcher's war on inflation, inefficiency and government spending has also tripled unemployment, leaving three million Britons—or 10.9 per cent of the workforce—out of a job. Many of the unemployed live in sprawling inner-city neighborhoods in the craggy industrial areas of northern England, Scotland and Wales, to which Thatcher's tough economic policies have brought mainly despair.

Despite her mixed record, Tory strategists appeared confident last week that Thatcher would emerge from the 24-day campaign with a third consecutive term. That is something no other British prime minister has done since Lord Liverpool, who led the country from 1812 to 1827. According to a Marplan poll at week's end in London's *Today* newspaper, 43 per cent of decided voters said that they were planning to support the

Conservatives. The same poll showed that 35 per cent of voters favored the Labour Party and 21 per cent supported the Liberal-Social Democratic Party Alliance. Based on those figures, analysts predicted that the Tories would win 350 seats in the 650-seat House of Commons, down from a landslide total of 397 in the 1983 election. Several other polls predicted similar results, although a survey taken earlier for the post-Tory Daily Telegraph, owned by Canadian financier Conrad Black, suggested that Labour was narrowing the gap and that Thatcher's majority could be as thin as 10 seats.

In a last-ditch effort to narrow the gap, both opposition parties launched fierce attacks last week on Thatcher's authoritarian style of leadership. Labour Leader Neil Kinnock, 45, accused

her as the least liked. As well, Thatcher unwittingly supplied ammunition for her critics when she told a television interviewer at the outset of the campaign that she hoped "to go on and on," winning not only a third term, but also a fourth. She immediately seized on the remark as evidence of Thatcher's "arrogance and lust for power."

To seal further splits, Tory strategists have limited the number of public appearances by Thatcher and scheduled only seven major campaign speeches for her in addition to regular news conferences. As a result, some Conservative supporters complained last week that the prime minister had failed to generate much enthusiasm among voters. The Telegraph criticized the Conservative campaign as "lack-

luster," support has remained firm throughout the campaign. To a large extent, that is a reflection of Kinnock's strategy, which was a campaigner, a seasoned orator from Wales known in his opponents as the "Welsh windbag." Kinnock has circumscribed the country in a chartered Vickers Viscount aircraft, concentrating his efforts on carefully targeted provincial constituencies while trying to avoid a largely hostile press corps. His goal, as one seriously injured senior Tory put it, has been to establish his credentials as a "man of passion, vigor and belief for the poor"—qualities that many voters find lacking in Thatcher.

Kinnock's other major task is to dispel a widespread suspicion that Labour has swung too far to the left and is now dominated by extremists. As part of its strategy, the party hired film director Hugh Hudson and scriptwriter Colin Welland—the creative forces behind the Oscar-winning movie *Chariots of Fire*—to produce a polished five-minute television commercial for Labour that showed Kinnock and his wife strolling arm in arm along a scenic stretch of Welsh coastline. Last week the Tories responded with a commercial that included dozens of signs of Thatcher meeting world leaders—designed to reinforce her image as a stateswoman. The ad was set to music by Andrew Lloyd Webber, composer of such musicals as *Cats* and *Jesse Christ*. Supervisor said Tory Chief of Staff Michael Dobbs: "We wanted an uplifting piece of forward-looking music."

Labour's new-found attention to image has also extended to its election manifesto, *Realising Britain's Wild Wits*, the 17-page document is slimmer and more glossy—and, critics say, less substantial—than the party's 1983 manifesto, which one senior party official described at the time as "the largest wildlife note in history." Because of its controversial policies, "The danger of many committed socialists, the new manifesto makes no mention of some of the party's most contentious policies, including pledges to abolish the nuclear deterrent, nationalize large sectors of industry and consider leaving the 12-nation European Community."

In response, Tory and Alliance officials have accused Kinnock of trying to deceive voters about his party's intentions. "He's a liar," says Labour minister Michael Heseltine, who condemned the Labour manifesto as "a wall-to-wall whitewash." He added, "Never has so much been hidden from so many by so few." Still, however, predicted that Labour's efforts would fail to win over more voters. "Labour may hope that broadcasts of news will hide the reality from view," he said, "but the British public does not go to the



Kinnock on the campaign trail: an aggressive style and inevitable splits

the Tory leader of surrounding herself with "spurious sycophants" who lacked the nerve to challenge her rigid emphasis on free enterprise and individual responsibility. And Liberal Leader David Steel, 48, said that Thatcher was using her "robust boot boys" to destroy the welfare state. Characteristically, Thatcher shrewdly avoided the attacks on her personal style.

At a news conference in London she accused the opposition of trying to deflect attention from the "real issues," including defense, economic growth, education and housing. Added Thatcher: "What they are really coming up is of having the guts and the spine to put our policies through. To that paradox we would plead guilty."

Still, Thatcher's campaign strategists were clearly worried that the prime minister's unbridled image might alienate the so-called liberal. Several recent opinion polls have shown that, although Thatcher is the most respected of the main party leaders, she

lacks the approval that Thatcher was believing his own conviction cracker—"Clinging to the wicket, having capably away in pursuit of a high score, yet riding nothing, caring nothing for the crowd out there, which is hungry for showmanship and fireworks."

By contrast, Kinnock's aggressive campaign style appeared to have renewed his party from a prolonged slump. In the 1983 election, under then-leader Michael Foot, Labour collected only 27 per cent of the vote—two percentage points more than the Alliance. Since then, Labour has been rocked by disputes between its moderate mainstream and a faction of Marxist ideologues known as the Militant Tendency. At one point earlier this year the party appeared to be in such disarray that it actually fell below the Alliance in the opinion polls—prompting some analysts to predict that the Alliance might soon replace Labour as the main opposition.

Far from collapsing, however, La-

police with race-thrilled spectators." And Owen grined that Kinnoch was being "puckered, dew-drooled and sold like soft cheese paper."

Labour's biggest liability may be its defence policy. Kinnoch has promised that if he wins, he will scrap Britain's four extended nuclear-armed Polaris submarines, cancel a \$20-billion order for new U.S.-designed Trident submarines and order the removal of all U.S.

"a "tenth, shorn, and scathed" host." And Thatcher divided Labour's defence policy on "a policy of least, surrender, occupation and, finally, peacelike guerrilla war."

The Tories soon stepped up the pressure by attacking a series of newspaper advertisements and billboards with the caption "Labour's policy on arms" over a photograph of a soldier with his hands up in surrender. And in

Parliament to hold the balance of power, forcing the party with the most seats to consider forming a coalition. Although the scenario may seem far-fetched, party strategists point out that in the 1983 election, Alliance candidates finished in second place in 216 constituencies and are therefore well-positioned to pick up extra seats if Tory support drops off in the final five days of the campaign.

those traditional allegiances have started to break down. Labour's popularity has been hit by a decline in the priorities of voters who now belong to nations—32 per cent compared to 30 per cent in 1978. Moreover, a recent survey by Market & Opinion Research International, a London-based polling firm, showed that only 40 per cent of respondents planned to vote Labour.

Thatcher has tried to accelerate that trend by encouraging ordinary Britons to become property owners and shareholders—a policy she terms "popular capitalism." Since 1979 her government has sold off more than one million publicly owned council houses and firms. The Tories have also privatized 19 large companies that were previously

state-owned. "The entrepreneur spirit in this country is remarkable," said Sir Bernard Askey, 63, chairman of ASK Research PLC, a rapidly expanding marketing and publishing conglomerate. "There is a great mood of optimism, a general desire of confidence. Businesses no longer feel that they are going to be disadvantaged by overstrict controls."

But although some companies have prospered under the Tories, others have gone into bankruptcy. More than two million jobs in manufacturing have disappeared since Thatcher came to power, and total manufacturing output is still five per cent less than in 1979. Still, supporters of the government insist that companies that survived the rigors of the early 1980s are

now as strong as ever after struggling on the battlefield, then God help you. Indeed, in many areas of Britain conditions are noticeably warmer than they were in 1979. A 1986 government report described as "brightening bleak" the prospects for job seekers in the Midlands north of England. Meanwhile, more than six million men, women and children across the country live on government assistance, which for a single person means about £65 per week plus medical expenses.

The South Wales coal-mining village of Llanharan typifies the "other" Britain, where unemployment and poverty are widespread. Alan Carr, 33, lost his job as a miner last year when the government shut down a nearby colliery because it was uneconomical. Stated in his two-story brick home, he described the current state of the economy as "an absolute catastrophe." Added Carr: "We are going back to the 19th century, to the feudal system where a tiny percentage of the population controls the wealth of the nation." If Thatcher is re-elected, he said, "I think you might as well drop the bomb on this country. It will be finished."

A weaker mood of hopelessness pervades the large, graffiti-covered public housing projects that dominate many of Britain's inner cities. In the Southwood estate on the southern edge of Newcastle-upon-Tyne, 204 km north of London, unemployment is running at between 40 and 50 per cent. "A person in this area who lost a job is in the same position as the black man," said Frank Quinn, 35, who was laid off from his job as a steel cleaner in the Newcastle shipyards two years ago. Said Barry Clark, 41, a community worker on the Berby housing estate as the unemployment rate rose: "For a lot of families here, it's been four or five years since someone has had a proper job."

Such scenes of misery have convinced many Britons that Thatcher is insensitive to the plight of the poor and the unemployed. It is a criticism that the prime minister herself flatly rejects. And she points out that since 1979 average incomes in Britain have risen 12 per cent faster than inflation. Still, as newspaper columnist Peter Jackson wrote in the Independent newspaper, Thatcher's own record provides ample proof that "a politician can go a long way without being loved." If she wins this week's election, Thatcher will have five more years to continue—and perhaps even complete—her revolution.

—ROSS LARSEN with PHELIP WISSEMAN in London



The anti-Thatcher brigade, below, Alliance leaders Owen (left) and Steel (right) are not encouraging.

nuclear weapons from British soil. That policy holds strong appeal among Labour supporters, many of whom belong to the Campaign for Nuclear Disarmament. But recent opinion polls have shown that more than 60 per cent of British voters as a whole disagree with Labour's stance.

For the most part, Kinnoch succeeded in avoiding the nuclear issue during the early stages of the campaign. But it loomed in prominence after he told a television interviewer that a

Washington, President Ronald Reagan broke silence on the British election campaign by telling a group of European journalists that he strongly disagreed with Labour's defence policy and would "try with all my might" to persuade a future Labour government "not to make those gross errors."

While Kinnoch failed to improve his party's standing in the polls, the two Alliance leaders were struggling to stay in the race. They agreed goal is to gain enough seats in the next

So far, the signs for the Alliance have not been encouraging. For one thing, many voters remain uncertain about the Alliance's policies, which its members believe the socialist leanings of Labour and Thatcher's free-market conservatism. For another, there have been persistent rumors during the campaign of friction between Steel and Owen—whom most Britons refer to as "the two Davids." Late last month Steel announced that he and Owen planned to take part in fewer

joint television interviews. The reason, he said, was that when they appeared together on cameras they looked like "Twelvefold and Twofold."

Whatever happened in the last few days of the campaign, the election was likely to see an important change in British voting: the first time in the Post that in this century the Labour party commanded the support of an overwhelming majority of working-class voters while the middle and

upper classes leaned heavily toward the Tories. But in recent years



The pro-Thatcher brigade, who makes them feel 'proud to be SDP's' again.

ly state-owned, including British Gas, British Telecom, Railways, British Airways. The result is that 19 per cent of all voters now own shares, compared to only seven per cent in 1983. Tory strategists think that such people will be more likely to vote Tory than Labour—especially if they believe that a future Labour government would seek to reduce ownership in some of the companies in which they hold stock. Said Thatcher: "The Conservative government has been engaged in a crusade to bring property within the reach of every family in the land. Our dream is that what was once a privilege of the few should be the daily experience of the many, and it is a dream that is coming true."

In business circles, Thatcher's emphasis on self-reliance and free enterprise earns wide approval. Her admirers say that by cutting the top rate of income tax to 30 per cent from 45 per cent and curbing the power of the unions, the Tories have unleashed a

new leaver and more competitive. "We had a choice," said David Roode, a director of Jaguar Cars Ltd., which Thatcher privatized in 1984. "We could either become more efficient or we could go out of business."

Jaguar itself is one of the undisciplined success stories of the Thatcher revolution. Less than a decade ago the company suffered from all the symptoms of the so-called "British disease": frequent strikes, poor management and low productivity. But in 1980 its new chairman, John Eans, launched a program to improve both quality and productivity. Since then the company has turned an annual loss of \$118 million into a \$350-million profit. The number of cars sold annually has risen to 47,000 from 14,000, and car output per employee has more than tripled.

The two Davids agree that British industry is getting back on its feet, but that tax to 30 per cent and job creation is too high. Said Steel: "The economic miracle is a myth. If





# The "belly button" file

**T**he code names he chose for himself include a humble self-image "Skegshomper" and "BQ," for "Blood and Guts." But a more important code name that he gave his assassin used to reveal the identity of fired National Security Council aide Lt. Col. Oliver North led to a series of revelations last week that seriously tarnished North's portrayal as a selfless patriot, intrigued by reformers to a secret Swiss bank account labeled "B. Rottach," congressional investigators discovered that Albert Hakim, the mainstream belated the intricate financial web used to obscure secret arms sales to Iran and Soviet support for the Nicaraguan contra rebels—cost up a \$300,000 fund to provide an insurance policy for the education of North's children.

Testifying under immunity from prosecution to the joint House and Senate committees investigating the Iran-contra affair, Hakim said that in the court of North's death his family also stood to inherit part of another \$3-million account containing profits from the weapons sales. Indeed, Hakim told the committee that he had even attempted to arrange dangerous payments to North's wife, Nancy, nicknamed "Mrs. Belly Button." Although Hakim ultimately dropped the scheme, he conceded that it was "unavoidable" that North did not know about it. Still, Hakim insisted that he had acted only out of "love" for North. Congressed House committee counsel Arthur Hays, pointing out that Hakim had met North only a few months earlier. "It must have been love at first sight."

The revelation of financial arrangements for the North family was just one of the bombshells in Hakim's testimony. The investigators also learned that Hakim's business partner, retired U.S. air force Gen. Michael Second, who told the congressional lawmakers earlier that he had not profited from the operation, had in fact pocketed some \$112,000 in profits to buy a Porsche, a Piper Cub plane and a trip to a health spa with a former Central Intelligence Agency agent.

Hakim himself made no effort to conceal that his prime motivation had been the prospect of making "many millions" out of arms sales to Iran. But committee members expressed shock to learn the extent to which the Iranian-born U.S. citizen—who had no security clearance—had been empowered to conduct U.S. government business. He had been, when he opened a "second channel" of re-

putations, he was left to negotiate alone for the release of American hostages in Lebanon. That included the drafting of a nine-point memo which he said was later approved by President Ronald Reagan. The memo included a plan to achieve the release of 17 Arab terrorists held in Kuwait.



Hakim, North (below) 'love at first sight'

tail—a provision that undermines administration claims that it would never pressure Kuwait to free them. Asked Leman, "Did you feel like you had been the secretary of state for a day?" Unfazed, Hakim replied that he felt better off than Secretary of State George Shultz, and added, "I can achieve more, too."



Hakim's testimony was a further blow to Shultz, who came under fire last week for twice defending his controversial assistant secretary of state for inter-American affairs, Elliott Abrams. Testifying earlier in the week, Abrams—the administration's point man for aid to the contra—infuriated the committee with his defense as he admitted that he had previously misled Congress with outright anarchy or civil war. Said veteran Texas Representative Jack Brooks, a Democrat: "You are the only man I ever saw that takes more pride in not knowing anything than anybody I ever saw. And I can only concede after this that you're either extremely incompetent or that you are still deceiving us with semantics."

Both Democrats and Republicans called for Abrams' resignation, warning the administration that its credibility was at stake. Some analysts speculated that Shultz publicly came to Abrams' defense in part because Abrams' testimony appeared to shield the secretary and because Shultz himself did what the committee was criticizing Abrams for denying the administration's connection to the surge jet that days after Nicaragua had told and solicited a \$15-million contribution to the contra from the Sultan of Brunei. But Democratic Senator George Mitchell of Maine predicted that Shultz's public support, Abrams' ouster was "inevitable and inevitable."

What also seemed inevitable and inevitable last week was the tightening of the noose around North. After losing a bid to bar the committee from granting North limited immunity from prosecution, the Iran-contra special prosecutor, Lawrence Walsh, is expected to indict "Mr. Belly Button" in the next three weeks on a number of criminal charges. But Hakim's most damaging revelation may have been that North claimed authorization for the Iran operation from Reagan himself—and that he was under pressure to negotiate the release of American hostages from Lebanon to help the President, and the Republican party, in the 1986 congressional elections.

—MARK McDONALD in Washington



Tamil prisoners under guard, a military offensive and a disputed navy mission

880 LANKA

## Row over the airdrop

**E**scorted by four Frecs-built Mi-19s, 2000 lighter plane, five military transport planes flew from India's southern air force headquarters at Bangalore on June 4 on a humanitarian mission with humanitarian relief supplies. But after its landing at sea, the Indian government accused the offer and ordered the airlift.

The ethnic and religious conflict between Sri Lanka's Sinhalese Buddhist majority and Tamil Hindu minority has clouded nearly 6,000 lives since 1983. And last week, as Sri Lanka troops continued their offensive against the rebels, a grisly incident added to the toll. Tamil guerrillas ambushed a bus on a remote coastal road in the northeast of the island and systematically murdered 84 people—80 of them Buddhist monks. As a result, tensions in the Sri Lankan capital of Colombo had already been strained when India intervened.

But Indian Prime Minister Rajiv Gandhi harbored political suspicions of his own. Since 1983 he has been under increasing pressure from 50 million Indians to provide help across the Palk Strait. He has tried to mediate and has called repeatedly for a negotiated settlement to the conflict. But Sri Lankan critics charge that Gandhi has allowed southern India to be used as a staging ground for the Tamil separatists. And after his unilateral intervention last week, the Indian high commissioner in Colombo warned Indian nationals living in the capital to move into hotels for their own safety.

The air drop was the second time last week that India risked open conflict with its tiny island neighbor. One day earlier, an armed flotilla of 39 supply boats left the southern Indian port of Rameswaram bound for the Jaffna Peninsula, home to 300,000 Sri Lankan Tamils. But in the 30-mile-wide Palk Strait, which separates the two countries, the relief flotilla turned back when confronted by Sri Lankan patrol boats. Seeking to defuse tensions, with

his guest neighbor, Sri Lanka's Foreign Minister Shivali Manne visited New Delhi to discuss alternative ways acceptable to both countries of delivering the relief supplies. But after its landing at sea, the Indian government accused the offer and ordered the airlift.

The ethnic and religious conflict between Sri Lanka's Sinhalese Buddhist majority and Tamil Hindu minority has clouded nearly 6,000 lives since 1983. And last week, as Sri Lanka troops continued their offensive against the rebels, a grisly incident added to the toll. Tamil guerrillas ambushed a bus on a remote coastal road in the northeast of the island and systematically murdered 84 people—80 of them Buddhist monks. As a result, tensions in the Sri Lankan capital of Colombo had already been strained when India intervened.

But Indian Prime Minister Rajiv Gandhi harbored political suspicions of his own. Since 1983 he has been under increasing pressure from 50 million Indians to provide help across the Palk Strait. He has tried to mediate and has called repeatedly for a negotiated settlement to the conflict. But Sri Lankan critics charge that Gandhi has allowed southern India to be used as a staging ground for the Tamil separatists. And after his unilateral intervention last week, the Indian high commissioner in Colombo warned Indian nationals living in the capital to move into hotels for their own safety.

—ANDREW BALSHI with JAY KAGE in the Netherlands and KENNETH HALL in Colombo

## Murder from the inside

**T**he assassination of Lebanon Prime Minister Rashid Karame last week looked suspiciously like an inside job. He was killed instantly when a small bomb exploded in an army helicopter it which he was flying to Beirut from Tripoli. And even to a soldier hardened by 12 years of civil war, invasion and political chaos, his murder was a brutal shock. Deane leader Walid Jumblatt, for one, blamed the Christian militia and Lebanese army intelligence elements loyal to President Amr Gemayel for the bombing, which also wounded at least four of the 33 aboard the helicopter. One of them, Interior Minister Adhikar al-Ran, who is a doctor, said that Karame was killed outright. "May God not forgive those who were behind this deed," he said.

The assassination raised concerns that Lebanon might be entering yet another bloody round of civil war. And although Gemayel, a Christian, launched an immediate investigation into the death of the 62-year-old Sunni Muslim prime minister, Muslims remain suspicious about the loss of their most influential politician, pointing out that security was the responsibility of the Christian-dominated army and that Christian elements resented Karame's close ties to the Syrian.

As well, Karame's resignation on May 4 to protest a political deadlock had thrown the government into a deep political crisis. Indeed, Gemayel had refused to accept the resignation for fear that he would be unable to assemble a cabinet. And at Karame's funeral in Tripoli on June 3, a crowd of 300,000 mourners chanted, "We are orphan now."

To appease the Muslims, Gemayel swiftly appointed an interim prime minister, Suleiman Frangieh, Education Minister Sifir al-Hout. But in calling a new crisis, Gemayel may only have revived an existing one. al-Hout made it clear that he would lobby Gemayel until he agreed to political reforms that would give more power to Muslims. And at week's end, Shouk Murrat, speaker of parliament, Hussein Haddad, added to Gemayel's problems by resigning, saying he was sure that "certain facts in the investigation [of Karame's death] are being

—JIM REIER in Moscow



## Charges of bribery

It was, by all accounts, a sterling success story. Started as a small machine shop in New York City's rambling South Bronx district in 1965, it mushroomed into the Westech Corp., a \$204-million-a-year business that made piston bridges and grenade launchers for the defense department and employed 1,500 minority workers. President Ronald Reagan once excused Westech founder John Manetta as "a hero for the '80s." But last week a federal grand jury in New York painted a decidedly different picture. In a 58-count indictment, it charged Democratic congressman Mario Biaggi, his son and five others, including Manetta, with turning Westech into a "kickbacking enterprise" which paid millions of dollars in bribes to win defense contracts. Said U.S. government attorney Rudolph Giuliani: "If this is the proverbial success story, then we should examine the way we conduct business and politics in this country."

The Westech investigation first surfaced last year and soon spread to high places—Westech's relationship with U.S. Attorney General Edwin

Meese and former White House aide Lyn Nafziger remains under investigation by a federal grand jury in Washington. The most prominent figure in last week's indictment was Biaggi.



Biaggi, accused by 'hars and felons'

Meese, a 60-year-old ex-politician and former anticorruption crusader who has represented South Dakota and the East and Central Bronx in the House of Representatives for the past 18 years.

According to the indictment, Westech participated in a federal program designed to help companies owned by members of racial minorities by allowing them to get federal contracts without competitive bidding. However, the indictment said, the firm should have been removed from the program when Manetta, whose parents were born in Puerto Rico, lost the controlling interest in 1981. Biaggi helped Manetta to conceal that fact, the indictment said. And, it added, Biaggi obtained 225,600 shares of Westech stock—worth \$4.6 million—plus \$67,000 cash by threatening to withdraw his support for the company.

Biaggi vehemently denied the accusations, which now based largely on the testimony of four former Westech officials who have pleaded guilty in return for leniency. "The prosecution," declared the congressman, "accepts at face value the statements of a pastiche of known liars and convicted felons, all desperate to save their skins." Whatever the case, 1987 has not been a good year for Biaggi; last March he was indicted on bribery and fraud charges in a case involving a Brooklyn ship-repair firm—an affair in which he allegedly received free trips to Florida and the Caribbean.

In the Westech matter, Giuliani said that more indictments were expected in New York. He said that because his office is an arm of the justice department, he could not investigate Attorney General Meese but had turned over information on Meese and Nafziger to a special prosecutor in Washington. Giuliani denies any wrongdoing. But Nafziger has admitted that, after leaving his White House post in 1982 to become a private consultant, he signed a letter to one of Meese's subordinates asking him to intervene with the army on behalf of Westech's bid for a \$40-million contract for small engines—a possible violation of conflict-of-interest laws. Meese, meanwhile, has admitted that while serving as Reagan's adviser he also interceded for Westech—but only, he said, to make sure the firm received a fair hearing. Later, the army awarded the contract to Westech. There was no indication last week how long the two grand juries would continue to gather evidence. But it seemed certain that the Westech affair was far from over.

—BOB LEVIN with correspondence reports

Brains and brawn run  
in our family.

**TIMEX**  
TRUTH TELLER

**KAHLÚA**  
Coolers  
...aaaaah!

Four delicious ways to cool off a hot afternoon. Tastes as refreshing as a summer breeze.

#### Kahlúa Hammer

1 oz Kahlúa  
1 oz light rum  
2 oranges or vanilla, chopped  
Ladle or coffee or cream  
Blend heavily in cooler or  
blend on rock directly in  
glass. Best summer refresh.

#### Kahlúa and Coffee

1 L2 oz Kahlúa  
Add to glass of cold coffee  
Mix it by the pitcher. Do  
equally terrific in and out

#### Kahlúa & Cream

1 L2 oz Kahlúa  
4 oz Fresh cream or milk  
Over ice for a taste that's  
as thick as can be.

#### Kahlúa & Fresh Fruit

4 cups Fresh fruit  
4 deep lemon sugar  
24-cup Kahlúa  
Sprinkle fruit with sugar  
Add Kahlúa. Mix gently  
cover and refrigerate 30  
minutes. Or a delicious  
delightful fruit as they can  
be. Serves six to eight.

#### Our Treat

For more delicious Kahlúa  
recipes visit us online  
Kahlúa Box 712, Staten NY  
Toll-free 1-800-451-1234

**Kahlúa**  
There's only one.

# Black and White and read all over

**A**s he bawled and said his way through the giant Argus Corp. Ltd. in early 1986, Claude Black frequently drew criticism that he was destroying more than he created. But now the Toronto financier is building with a vengeance as he buys the foundation for a new newspaper empire. Late last month he announced that he was buying into Quebec's third-largest publisher, Montreal-based Unimédia Inc., which includes Quebec City's *Le Soleil* in its stable. Then, last week he said that he hoped to sign a deal with another major publisher, Quebecor Inc., which would jointly establish a second English-language daily in Montreal. At the same time, Black is close to adding 50 new daily newspapers to the string of 24 dailies he already owns in the United States. Said Black: "We want to build a financially strong, well-managed international newspaper company."

Through a Toronto-based holding company, Hallinger Inc., Black, 45, already owns 58 per cent of London's *Daily Telegraph* and nine small dailies in Canada. Last year Black ended Hallinger's investment in Dominion News Ltd. and Naren Energy Resources Ltd. Since then, the company has emerged as a newspaper company with a diversified strategy. Black said that he plans to consolidate his position in Quebec while buying up small U.S. dailies with circulations of about 10,000, which have been ignored by U.S. media giants. Black's U.S. and Canadian newspapers are generally small and stable, but he points out that they are in the same company as the flagship *Telegraph*, "one of the greatest, most influential papers in the world."

Black has been criticized ever since the past two years for having led the Dominion Stores grocery chain, which he claimed would never be profitable.

Ralph Donachie was part of the massive Argus empire that Black took control of in 1976 by buying Argus shares from a group of angry widows. He made a personal fortune selling off its various assets, which also included Mamey-Pargason Ltd. and Standard Broadcasting Corp. In 1980 he acquired an interest in Norcon, a well-run oil company, then said



Black, building an international newspaper empire

it in 1986. Black said last week that he became "fed up" with both Donachie and Norcon and simply no longer wanted them. Said Black: "You really have to know what you're doing to run an oil company." But on the other hand, he said, "the newspaper business is extremely profitable, and it is fun."

Black, a fringe player in the Canadian newspaper game for years, has long aspired to a bigger role. He jumped into the business in 1969, along with former university friends and business partners David Sadler and Peter White—both of whom are now working for Hallinger—or pur-

chasing *The Record*, a Sherbrooke, Que., daily. And in 1972 the trio launched what was to become the nine-paper Stirling Newspapers Ltd. chain based in Vancouver. It was merged into Hallinger in October, 1986. But in 1980 the would-be group broke up, but failed in his first bid to join the big leagues of Canadian publishing when the Toronto-based Thomson family outbid him for the 19 Publications Ltd. chain of newspapers, which included *The Globe and Mail* and the *Windsor Free Press*.

Black faced limited opportunities for growth in Canada due to the dominance of Southern Inc. and the 563-paper Thomson Newspapers Ltd., both of Toronto. As a result, he turned to England and in December, 1985, paid approximately \$60 million for 50.1 per cent of the *Telegraph*, one of the world's most respected newspapers. Black had been invited by *Telegraph* publisher Lord Birtwell to help finance the prestige but not money-laundering firm. Now White, who recently left Prime Minister Brian Mulroney's office, where he compiled patronage lists, to work in Black's Quebec operations, says the push into Quebec and the United States has brought the entrepreneurial financier back to "his roots."

Black said that he expects to close the deal for about 10 new American papers within a few weeks. But by far his most aggressive gambit is a proposed joint venture with celebrated Montreal publisher Pierre Péladeau to launch a second English-language daily newspaper in Montreal, where it would compete with Southern's venerable *Montreal Gazette*. Péladeau is president and chief executive officer of Quebecor Inc., publishing 40 weekly and three daily papers, including *Le Journal de Montréal*, the city's largest daily. Said Raymond Boord, a longtime Montreal newspaper executive who was involved in an aborted attempt by the Toronto Star Publishing Corp. to start a similar paper last fall: "Péladeau is motivated by his hatred for Southern,"

Péladeau's anger at Southern, the



Daily Telegraph office in London; Péladeau (below) drops concerns in Quebec

largest Canadian daily newspaper publisher, springs from its backdating of *Le Matin*, a short-lived French-language Montreal daily that folded after just 28 issues last March. Péladeau complained that Southern broke an unwritten code by swarming over Quebec's linguistic gulf to compete head-on against the cash-short *Le Devoir*, a francophone institution that Péladeau assisted by effecting some of its printing costs.

Still, even if the deal with Péladeau goes through, Quebec media observers are speculating about how long two determined individuals like Black and Péladeau will be able to work together, particularly because they are opponents in the Quebec City markets where Péladeau's *Journal de Québec* faces Black's newly acquired *Le Soleil*. Said White: "There would have to be a chaperon partnership, but we could be partners with Péladeau in Montreal, and beat his brat in Quebec City."

Black tested the strength of the potential partnership when he announced his Unimédia deal as the eve of a upcoming meeting with Péladeau last month. Péladeau had also courted Unimédia, but he said that he welcomed

the weighty competition. Indeed, their meeting went ahead as planned, and the two entrepreneurs agreed to set up a working group to study the possibility of launching a new Montreal daily. Quebec officials have conducted numerous market surveys in Montreal and have concluded that a second newspaper would be profitable.

Meanwhile, Black's involvement in Unimédia quickly prompted charges from Quebec nationalists of a selfish to outside interests. But Black is no stranger to the province. Fluent in French, he attended Laval University in Quebec City, where he earned a law degree in 1970. He also developed



a deep interest in Quebec politics and wrote speeches for two premiers, Daniel Johnson and Jean-Jacques Bertrand. A book that he wrote about former Quebec premier Maurice Duplessis was published in 1977.

Unimédia owns three daily newspapers, 20 weeklies and four printing plants. While Black would not confirm the figure, he did not deny reports that Hallinger paid \$50 million to Unimédia founder Jacques Francoeur and his partner, Jean-Guy Faucher. He will not be a general partner, and has assumed \$59 million in Unimédia debts while injecting \$12 million in new capital into a new company. Under the deal that will see Hallinger become a general partner.

Premier Robert Bourassa told the Quebec assembly last week that he worked aggressively behind the scenes to find a French-Canadian buyer for Unimédia. The 45-year-old Francoeur made it close two years ago that he was planning to retire, and none of his four children expressed any interest in running the family-owned company. But Black, calling his detractors "envious," said last week that Péladeau, former *Le Devoir* publisher Claude Ryan and even the editorial staff of the nationalist *Le Devoir* had supported his purchase.

While Black's Unimédia acquisition has raised deep concerns in Quebec, his expansion through Hallinger's U.S. unit, the American Publishing Co., has largely gone unnoticed. Last December Hallinger bought 52 small-town dailies across a largely economically depressed swath of Illinois, Indiana, Missouri, Ohio, Pennsylvania and New York. The company combined the advertising and editorial departments of the papers into geographic groupings, streamlined their operations and in some cases boosted both circulation and advertising rates.

And Black's shopping spree continues, even in the face of opposition. In Harrisburg, Pa., Roy Small, president of the local *Daily Register*, has said he will not sell to Black. He said that Black's move was "not helping so many papers that competition is disappearing in the area. But since last November Hallinger has bought out most of the paper's minority shareholders and now has a seat on its board of directors. He has been instrumental in two and a half million that made him a Ray Street high roller earlier this decade. Claude Black is now steadily becoming a major player in the North American newspaper business.

CLAUDE

—TOM FENNELLO, WITH BRUCE WALLACE IN MONTREAL

## An inflation fighter steps down

For New York economic consultant Alan Greenspan, it was a tense evening. Early last week Greenspan attended a birthday dinner for Washington Post national correspondent Lou Cannon at the home of newspaper correspondent Andrea Mitchell. Throughout the evening inquisitive reporters politely questioned Greenspan about a Wall Street Journal report that Federal Reserve Board chairman Paul Volcker would likely accept a third four-year term. But the normally outgoing Greenspan merely smiled and remained silent on the subject. In fact, just hours earlier he had learned from President Ronald Reagan that Volcker would be stepping down. And without hesitation, Greenspan had accepted Reagan's offer of the powerful position as a city banker, the dramatic shift in power at the U.S. central bank remained a secret until the official White House announcement the following morning.

The change immediately sent a tremor through the financial markets as the dollar continued to fall against other major currencies, and stock prices on Wall Street sagged briefly but rebounded before the end of the day. The fluctuations were mere a reflection of the status of outgoing chairman Volcker, who was widely regarded in financial circles as the second-most powerful man in the United States, thus a negative domestic reaction to his successor. In fact, most observers expect that Greenspan will continue Volcker's policy of fighting inflation by controlling the money supply even if the result is high interest rates. Ben Raymond Winokur, chief economist for A.G. Edwards & Sons Inc., a St. Louis-based investment house, "thinks the best possible choice—other than Volcker."

Volcker established an almost mythical reputation as an inflation fighter in his eight years as reserve board chairman. As his successor, Greenspan, 61, a New York University-educated economist with a reputation as a conservative, is taking over a daunting job. The chairman, who is theoretically indepen-

dent of the administration, wields enormous power over the entire U.S. economy by controlling the money supply and interest rates. But his influence is felt far beyond U.S. borders. The Bank of Canada, for instance, must match an upward interest rates determined by the U.S. board in order to draw foreign capital and investment.



Greenspan (left), Reagan and Volcker, a former-faire capitalist of the hair

Volcker's major accomplishment was to tame the rampant, double-digit inflation that dogged the U.S. economy throughout the 1970s. Last year the U.S. inflation rate was a mere 11 per cent, and this year it is expected to hover around four per cent. His strategy was to tighten the money supply, which forced up interest rates, checked off borrowing and brought on the recession of 1980-1981—now regarded as the worst economic downturn since the Depression of the 1930s.

Volcker's war against inflation resulted in casualties both at home and abroad. As interest rates rose to 20 per cent or more in the United States and Canada, businesses failed, unemployment rose and families lost their homes. By August, 1982, Mexico nearly defaulted on the interest payments to service its foreign debt, which aggravated a debt crisis that still rages among less developed countries. After the U.S.

economy pulled out of the mild recession of 1980, Volcker acknowledged, "If I could have played it over, I would have played it different."

A lifelong liberal, the towering six-foot, seven-inch Volcker, 58, was appointed to the post in July, 1979, by then-president Jimmy Carter. Ironically, his policies damaged Carter's chances

for re-election by causing a mild recession in the fall of 1980. Reagan moved him to a second term in 1981 and reportedly was considering asking him to stay for a third last week. Instead, Volcker got forward Greenspan's name as his first choice for a successor. Publicly, Volcker offered no reasons for his resignation, but there was speculation in Washington that his authority was undermined by Reagan appointees to the seven-member board who were more concerned with economic growth than controlling inflation. Other analysts said that Volcker wanted to spend more time with his family in New York and return to private business, where he has the potential to earn a seven-figure salary, compared to the chairman's \$120,000 stipend.

Whatever Volcker's reason, his departure is expected to have little effect on reserve board policy. Greenspan's record indicates a similar concern with infla-

We talked and talked...  
and never ran out of things to say.



Baileys. For the moments you treasure.

# The Shopper's Gallery

From the same technology which insulated man in outer space comes a new type of garment...

## SUPERJACKET II

The Action Jacket for people on the go!  
You are invited to test wear it free for 15 days.

The SUPERJACKET's muscle firing is the same type of material that was developed for the space program. It keeps body heat in, cold out — without bulk or weight. You'll love the fantastic freedom you'll feel when you take on this skin-looking, versatile jacket to run to the store, play a game of golf, lend a whopper on a fishing trip... or just pull it on your back yard. It's an iron-clad light in weight you won't believe how toasty warm it keeps you — even when the temperature plunges!

You no longer need a wardrobe full of jackets for different seasons. The Superjacket II takes you through all of them — spring, summer, fall and even winter — in absolute comfort and style. It's the one jacket you'll reach for again and again. The one you'll take along on trips, when you're not sure what the weather will be like... and the Superjacket II folds compactly — takes up just a small corner of your suitcase.

What's more, it's 100% water-repellent, so you can wear it in rain, snow, sleet, fog — a feature that won't wash out no matter how many times you take it in the washing machine and tumble-dry it. And because it's washable, think of all the money you'll save in cleaning bills.

Great for all outdoor activities. You'll wear it walking, no-turfing, golfing, fishing, sailing, swimming, moon jumping... wherever you go that takes you outside.

WEAR THE SUPERJACKET & FREE FOR 15 DAYS. WITH NO OBLIGATION TO BUY. ONLY \$29.95 PLUS \$3.00 SHIPPING & HANDLING.

## 15 DAY FREE EXAMINATION

The Shopper's Gallery.

122 Bay Street,  
Toronto, Ontario  
M5W 1A7

Men's Sizes

☐ S (36-38) ☐ M (40-42) ☐ L (44-46) ☐ XL (48-50)

Ladies' Sizes

☐ S (32-34) ☐ M (36-38) ☐ L (40-42)

Check credit card, payment enclosed

Account Number

NAME

ADDRESS

CITY

STATE

ZIP

TEL. NO.

DATE

TIME

15-17

Please allow 2 weeks for delivery.

tion. While head of the national Council of Economic Advisors during the administration of Gerald Ford, Grossman helped plan an antitrust package, curbing wages and profits. The "Wage Inflation Now" program sought voluntary restraint by Americans through the distribution of gold buttons bearing only the slogan "WIN" in 1971. In return he became New York's leading business, Toronto-Grossman & Co.

But Grossman has differed with Volcker in one policy area—the outgoing chairman's opposition to deregulation of the banking industry. Grossman has a reputation as a laissez-faire capitalist who has been influenced by the writings of liberal economist Adam Smith and socialist Ayn Rand, who espoused individualism. He is expected to end the reserve board's objections to deregulation of banks, which would allow them to enter the securities business for the first time since the Glass-Steagall Act was passed in 1933.

The two men also possess strikingly different personalities. Unlike the dour and aloof Volcker, the bearded Grossman, 60, is a personable and occasionally extroverted the gadfly by playing the piano. As a young man, he played the clarinet well enough to study at New York's famed Juilliard School before turning to economics. His social life has included dates with several journalists, including ABC-TV star Barbara Walters. Politically, Grossman has long been associated with the Republican party, and he gave economic advice to presidential candidate Richard Nixon in 1968.

Reaction to Grossman's appointment was generally positive in Washington and on Wall Street, while spokesmen in financial centres around the world with judgment. Said former bond vice-president Frederick Schuler: "I think it's an excellent appointment, and I think there will be very little change in direction." But abroad, many observers feared that they will reserve comment until Grossman makes his mark. "Grossman has to prove himself," said David Gorman, an economist in London with James Gape & Sons.

One of the many challenges facing Grossman is the international debt crisis. Volcker is cited as the architect of an unsuccessful strategy put forward by Treasury Secretary James Baker in 1982 called the new lending to Third World countries to stimulate their economies. Said one Washington economic consultant and former White House official: "He's the father of the Baker plan and, if it had been successful, it probably would have become the Baker plan." Given the size of Volcker's reputation, newcomer Grossman is stepping into very big shoes.

—IAN MINTON in Washington

## All in the family

The decision was announced without fanfare. David Kenneth Ray Thomson, 36, heir apparent to the \$5.1-billion Thomson family fortune, was named president of Zellers Inc., a 115-store discount retail unit of Hudson's Bay Co. Thomson, the elder son of magazine Lord (Kenneth) Thomson, will assume the Zellers position on July 1.



David Thomson, a major role

after his announced appointment to Toronto on May 25 by the company's board of directors. The publicly-shy Thomson, whose family's holding company Woodbridge Co. Ltd. owns a 76-per-cent voting stake in Hudson's Bay, has held several executive positions with the retail giant since 1980. Said Patricia Porth, a director of the Retail Council of Canada, a national trade group representing major chains and independent stores: "It certainly indicates that David Thomson is solidifying his position in the Thomson empire."

Indeed, Thomson's elevation to the helm of one of the most profitable units on the Hudson's Bay retail empire was widely interpreted as the first step in fulfilling his late grandfather's wishes. Given the size of Volcker's reputation, newcomer Grossman is stepping into very big shoes.

From his only son Kenneth's branch of the family, Steve Kenneth, now 46, assumed control of the company eight years ago, after his father's death. Kenneth's profits from the business are shared among his children, grandchildren and great-grandchildren. The funds are administered through a trust fund controlled by Kenneth and his sister, Audrey Campbell. But for now, only David and his brother Peter, 33, are considered to be eligible to inherit the reins of the dynasty.

In his seven years with the family business, David Thomson has managed a Bay store in a suburban Toronto mall for a year and was an assistant divisional executive manager for Bay stores in the Toronto region. But most of his time has been spent working as a executive assistant in the corporate office of Hudson's Bay under the guidance of George Kosch, chief executive officer of the then 100-store department stores. Thomson replaces outgoing Zellers president Eric Paul, 46, who resigned several weeks ago after 10 years with the company. Said Paul: "His appointment is logical and it will show us retaining him into the Thomson's scheme of things."

Retail analysts said that Zellers will provide a good training ground for David Thomson as he prepares for a bigger role in the family empire. Zellers has performed solidly over the past few years. The 215-store chain, which includes 200 Zellers discount department stores, 95 Fields family clothing stores and 26 Just Kids children's wear outlets, had sales of \$2.5 billion last year and a profit of \$30 million. In the first quarter of this year, sales were \$611 million, up 8.5 per cent over the same period last year. On May 26, the Zellers board of directors, including Kenneth Thomson and longtime family friend and business associate John A. Jury, approved the opening of new Zellers outlets, the sale of a \$10-million capital investment to improve the company's distribution centres.

With his appointment, David Thomson also joins the board of directors for Hudson's Bay—a position that his predecessor did not have. Given the third-generation Thomson, who maintains residences in Toronto and New York, will work at the Zellers Montreal head office. Still, he appears to be taking his quick succession in stride. Said the young Thomson to reporters after the board announcement: "I mean, it's not a problem. It is a great thing that he could have learned at his grandfather's knee."

—THERESA TERESIO in Toronto

# Blueprint for a real navy

By Peter C. Newman

How can you spot a Canadian warship? It's the one with the white hull covering over it.

That kind of such humor was made obsolete by last week's white paper on naval defence. Canada's naval service is no longer a joke.

"What the white paper recognizes," was told by Rear Admiral Charles M. Thomas, due to take over as head of Canada's Maritime Command next month, "is that we are in fact surrounded by three oceans. At the moment, two-thirds of our 50-ship fleet is on the Atlantic and one-third on the Pacific—and all of it is getting desperately old. We now have the framework within which we can do useful work in any of the three oceans and over the time line into an uncertain future."

Although most of the discussion about the navy's proposed role has centred on the acquisition of nuclear submarines, the white paper also resolves a central dilemma, that even by keeping aging ships in service well beyond their usefulness, Canada would have been left with only a 10-ship navy by the end-1990s. As it is, for example, the destroyer *Benguet*, built in 1958 and originally due to be phased out in 1984, has now been pushed up and is scheduled to be scrapped in major yards by 1994. But by commissioning another half-dozen frigates and renewing the navy's primary and supplementary reserve forces, we are at last being presented a realistic, if still minimal, maritime capability.

The strategy encompasses such measures as postwar repatriation as the assertion of Canadian sovereignty and patrolling our 200-mile fishing (and offshore mineral) limits, as well as contributing to the North Atlantic Treaty Organization's (NATO) deterrence, coastal defence, including mine countermeasures, will become the task of the naval reserves, due to be doubled in strength and allocated at first 12 and later another 18 minor war vessels—really overhauled rigs with mine-sweeping equipment aboard.

One reason the naval arm received the greatest share of the white paper's attention is that it has been the most neglected of the three military services in past budgets, being forced to make do with what was left over from relatively flat air force and army allocations. An other cause for the more optimistic projections has been the presence at head-quarters, since 1979, of Charles Thomas,

one of the few admirals who knows how to work the system and does so without being negative about the demands of the royal service.

The most confining aspect of the proposed growth in naval strength is the planned acquisition of 16 or 12 nuclear-powered submarines. The navy argues persuasively that they neither present any danger of atomic fallout, nor are they as useless strategically as the critics have charged. "Of the two available



Thomas' useful work is three oceans

types of submarines that best fit our requirements," says Thomas, "there is a significant record of safe operation with no nuclear accidents." He said that in the case of nuclear submarines that have perished at sea, for reasons that have nothing to do with their means of propulsion, there has been no radiation leakage even when the ships were severely damaged. Thomas points out that a submarine who goes on an 80-day cruise aboard a nuclear sub suffers from less radiation than if he were on leave,

exposed to sunlight. "The 16 nuclear submarines," he says, "will collectively produce the equivalent of two-thirds of one per cent of the electricity currently being generated by Canadian nuclear reactors."

Meeting the argument that the nuclear subs would only be useful for intercepting American underwater probes because the Soviets don't need to use our side of the Northwest Passage, one recent NATO report concludes that Soviet submarines are in fact penetrating under the polar ice cap as far south as Baffin Bay. At the moment, no Canadian navy vessel is equipped with any ice-breaking capability. Thomas also points out that the Soviets must have access to the entire archipelago if they are to break out into the Atlantic.

But Thomas and other naval authorities stress that the main reason for acquiring the new subs has nothing much to do with the Arctic. They regard the northern sovereignty function as a mere bonus to the underwater vessels' main task of enemy defence.

The scenario visualizes destroyers staying close to the ships they are trying to protect, while the new patrol frigates, with their helicopters and other autonomous devices, are on patrol 100 miles out. The nuclear submarines would stay even further away, trying to filter the attacking or opposing submarine before they are in a position to fire their torpedoes or missiles. This would allow the enemy time to be maneuvered out of harm's way, or so the theory goes. "All the entire sovereignty commitment did not cost," Thomas concludes. "The recommendation from the navy to the government as to the best future investment would still have been for nuclear-powered submarines."

The white paper will arouse much controversy, as it should. But the status quo was becoming untenable, and we really do need a navy that has more submarines than the West Edmonton Mall. Canada's international trade now accounts for nearly one-third of our gross national product, much of it coming by sea, including all of the oil imports to the Maritimes provinces and nearly half to Quebec. Such ocean traffic would become essential during wartime, and only our own forces would be committed to defending it.

As Sir George Elliott Carter, one of the Fathers of Confederation, stated so long ago, three elements are indispensable to a nation: "people, territory and a navy."

## CANADIANS AND THE MULRONEY TRADE DEAL:

# "We can find our own solutions."

Like many people, we're worried about the Mulroney government's plans for a bilateral trade deal with the United States.

We're worried about our jobs. We're worried about our social programs. And frankly, we don't trust the ability of the Mulroney government to negotiate a trade agreement.

We're part of a network of organizations which represent over 10 million Canadians who want to keep their jobs, their social programs and the other things that make Canada our own.



Marjane Cohen  
National Action  
Committee on the  
Status of Women

Does Canada depend too much on the US economy? We believe Canadians can work together to find our own solutions.



Mel Harris  
Council of Canadians



Smokey Bessy  
Native Council  
of Canada



Bill Cerna  
Canadian Council  
of Retirees



Shirley G.E. Carr  
President  
Canadian Labour  
Congress

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_  
Prov. \_\_\_\_\_ Code \_\_\_\_\_

☐ I want to help the Pro-Canada Network fight Mulroney's trade deal

☐ I support your efforts to find alternative trade policies

☐ I would like more information about the alternatives to Mulroney's trade deal.

Mail this coupon to the:  
**Canadian Labour Congress**  
2961 Riverside Dr. Ottawa K1V 8X7

The Mulroney trade deal:  
**There is a choice.**





# Confrontation and concern about AIDS

Entertainment was not on the agenda last week at Elizabeth Taylor's proposal to address a crowd of 400 people at the National Press Club in Washington. Indeed, Taylor spoke as a grim subject—acquired immune deficiency syndrome. And the stage was set by a beily guitar-crusher bellowing a sign at the front of the room that read "Quarantine Manhattan Island, the AIDS capital of the world." That awe-inspiring message underscored the urgency that marked all the speeches at the city's Third International Conference on AIDS, a week-long gathering of 4,300 researchers and health officials, including U.S. specialist Robert Gallo and, from Paris, the Pasteur Institute's Luc Montagnier. Their presentations—ranging from the latest analysis of the spread of the disease among heterosexuals to ominous news of the appearance of a new transmissible virus for AIDS—presented the grimness of international expertise on the epidemic. Still, it was Taylor who sounded the week's keynote. "The fear of AIDS threatens to tear apart the very fabric of our society," she declared, "and the crisis tests our ability to call ourselves civilized."

The warmth with which the audience received Taylor's plea for understanding contrasted with the uncertainty that marked U.S. Vice-President George Bush's address to the opening session of the conference. Bush apparently angered some members of the audience by ordering President Ronald Reagan's proposal that prisoners, immigrants, and people planning to marry should be subject to AIDS testing. At the same time, outside the White House, half a kilometre away, police scattering rubber gloves were an amusing demonstration protesting against those proposed measures. The atmosphere and their reception. The agenda was also boobyed by members of the audience at an AIDS fund-raising dinner—fueled international attention on the deep and troubling ethical issues generated by the epidemic. But the hard facts presented for the first time at the conference also moved on moderate attention, especially those concerning the still-revolted spread of the disease around the world.

Jonathan Mann, director of AIDS programs for the Geneva-based World Health Organization, opened the conference on a sobering note. He announced that as many as 10 million people are already infected with the



Shared pain and AIDS consciousness: analyses and untimely reports of an epidemic

virus that causes AIDS. "This epidemic has just started," he declared. He added that, although WHO officials had tabulated 12,525 reports of full-blown AIDS cases in 113 countries, the actual number of AIDS victims would be more than twice as high. In the same way, Dr. James Curran, director of the AIDS program at the Atlanta-based Centers for Disease Control (CDC), contrasted the 29,880 reported AIDS cases in the United States with an estimate that 1.5 million U.S. citizens are infected with the virus, a frightening statistic that may include one out of 30 men between the ages of 20 and 50. It is not known yet how many of these AIDS cas-

es will eventually succumb to the fatal disease, but Curran said that by 1990 AIDS will be second only to accidents as the leading cause of premature death among U.S. men.

Several conference sessions focused on the spread of the disease through heterosexual intercourse. In general the experts were reassuring: as reported that in the United States at least, a woman's chances of contracting the AIDS virus during a single sexual encounter with an infected man were no more than one in 1,000. For his part, the chief epidemiologist Harold Jaffe said that, although AIDS is a serious threat, research shows that its

spread among heterosexuals is slow indeed. Health and Welfare Canada officials say that of the 1,662 confirmed AIDS cases in Canada in 1985, 867 have occurred among homosexual or bisexual men, and 86 among heterosexuals with partners in such high-risk groups as intravenous and intravenous drug users. Among the other cases are 26 of unknown origin and 69 that have occurred among people from Haiti and other parts of the world where the disease is endemic.

Still, many researchers at the Washington meeting said that these statistics should not cause heterosexuals to become complacent about AIDS. "The reality that heterosexual contact is an efficient mode of transmission is established," said Dr. Robert Redfield of the Walter Reed Army Institute of Research in Washington. "It is the major mode of transmission in the world, and it will become the major mode in this country." In a recent U.S. study of heterosexuals, in one group of 25 couples in which one partner had advanced AIDS, Redfield found that 36 of the unaffected partners eventually became infected. He also cited another U.S. study involving AIDS victims who contracted the disease via transfusion to the unaffected partner in 61 per cent of the cases.

Ultimately, however, most delegates said that intravenous drug use was a more worrisome source of AIDS transmission. Declared the CDC's Dr. Timothy Dondoro: "The typical person at risk for heterosexual transmission is not the 35-year-old man who has sex with one woman, but the professional woman who does sex and wears condoms and wears athletic gear. It's more likely to be a disadvantaged black female who is sexually abused in a drug addict." So far in Canada, he said, only four people

have acquired the disease exclusively after using infected needles, but a quarter of U.S. cases involved people who shared intravenous drugs.

Typically, researchers have identified infants as being the most frequent victims of so-called tertiary transmission. This is one reason why Reagan announced his support for what he called "selective testing of selected populations for AIDS infection. Indeed, his most far-reaching recommendation was that state governments demand such tests of

results. In short, it is staged."

And according to Greg Smith, co-director of Canada's National AIDS Centre, such tests would have to be repeated continuously to be effective—and even then would fail to prevent the general population from infection. Declared Smith: "You can get a card from a doctor saying you're to be tested, but if you don't get tested, you did not. Instead, it might be worthless by Monday." And many experts put forward ethical arguments for their opposition.

Had Roy "Once we have identified the carriers, what do we do about them?" Attempting to correct their behavior would be terribly fantastic and completely impractical." Added Smith: "Mandatory testing alone doesn't protect people from infection. In order to achieve that, once you find the infected people you have to remove them from the social fabric."

In contrast to Reagan's stance, federal Health and Welfare Minister Jake Epp announced that Canadian government policy is still in harmony with scientific and medical opinion on the subject. According to Epp, that position encourages voluntary testing, ensures confidentiality, and seeks to provide counselling before and after

testing. "At the present time there is no advice that I have received that we should change our policy," Epp told Montreal's last session. Epp acknowledged that federal health officials were discussing the possibility of requiring prospective immigrants to undergo mandatory AIDS tests. And he refused to rule out other changes in future legislation.

"As other countries consider some form of mandatory testing, there will have to be public explanations as to why Canada has not moved in the same direction."

But even if opponents of mandatory testing prevail, the seemingly measurable spread of AIDS through Taylor's plea for tolerance and civilized behavior. Many of the researchers at the conference are working hard to make her request unnecessary—by finding a cure for the disease. But as paper after paper demonstrated, that long-for breakthrough is not yet at hand.

—JENN BARBER AND WILLIAM LINTNER in Washington



Montagnier (left), Gallo (right) and delegates: international attention



Taylor: urgency



only that some statements or interpretations of the world are better than others."

The other concept that is in vogue in academic circles is "postmodernism," an elusive but widely employed term that, in literature, refers mainly to a rejection of conventional methods of scholarly and textual criticism. That controversial approach was at the heart of a sharp exchange that erupted during the proceedings of the Canadian Society of Biblical Studies. Robert Polzin, a professor of Hebrew Bible at Ontario Christian University, interrupted the session to tell First Minister Jean Charest, in which he said that the Bible is a mishmash of editorial emendations and mistakes.

One pervasive category at the Toronto this year was women's issues, with nearly 150 papers on feminist and feminist themes listed in the conference's computerized index. Among the subjects addressed: delayed childbearing, the history of women lawyers in Canada, the political struggle over abortion and the implications of U.S.-Canada free trade for women and children. Said David G. Hall, a New Brunswick sociologist, Jeanne Morawitz: "There is a proliferation of research on women and feminist subjects. In the past, sociology has been more a neutral discipline, but now it's more on an ideological outlook."

For his part, Dr. J. Fraser Mustard, president of the Toronto-based Canadian Institute for Advanced Research (CIAR), in an address to the Canadian Society for Studies in Higher Education, pointed to the need for more basic research in Canadian universities. He warned that "a society that is not concerned with the quality of its knowledge base and the standard of education of its population is one that could have great difficulty in maintaining a high-quality society." In effect, Mustard's appeal was for exactly the kind of research that Herbert Simon is involved in as a leader in the development of artificial intelligence. While that is a field that points forward to a new technology, it also looks back to the heart of the matter, as embodied by the Learned Societies.

—MARK NICHOLS in Montreal

## CRIME

# Escape from a Dutch jail

**G**uards at Holland's Noordwijkerhout prison, a medium-security facility, discovered the jailbreak shortly after 10 p.m. on May 31. According to prison officials, 36-year-old inmate Barreto-Morales—at one time a breathtaking figure on Montreal's nightclub scene—had sewed through the pane of his cell window. Then, accompanied by his Dutch-born cell mate, he climbed a perimeter wall



Barreto-Morales: an inmate fugitive

and fled into the night. Now Dutch authorities are trying to determine if the two men bribed prison guards to help them escape. And for Canadian officials, the successful breakout riled a seven-month legal battle with Barreto-Morales's lawyers. Indeed, only two days before Barreto-Morales disappeared, the Netherlands Supreme Court upheld an extradition request to return him to Canada—to face charges of importing and trafficking in cocaine.

Police last month charged against the Peruvian-born fugitive in April, 1987, after he was found in the Montreal suburb of Rosemère netted 60 lb. of cocaine from a makeshift drug-processing laboratory. Five men later went to prison because of that raid—among them Jean Rochet, a friend of Barreto-Morales who was then a junior partner in one of Montreal's leading law firms. He was convicted of trafficking in cocaine and

received a 14½-year jail sentence. But the alleged mastermind of the drug ring evaded capture. In 1986 Barreto-Morales, who used the alias Mario "Tito" Pacheco during his four-year stay in Montreal, even managed to slip out of the country. And he evaded another attempt to return him to Canada later that year when police in his native Peru arrested him at Canada's request. But Barreto-Morales managed to convince a judge to release him before the extradition documents arrived from Ottawa—and disappeared again.

Still, Barreto-Morales's look appeared to have run out last November, when he booked a flight from London to Caracas that included a transfer at Amsterdam's Schiphol Airport. According to Dutch officials, Barreto-Morales was carrying \$60,000 in U.S. funds—and traveling on a forged U.S. passport. After they discovered his real identity, Dutch officials arrested Barreto-Morales and informed justice department authorities in Ottawa—who promptly requested that the wanted man be held in jail pending the outcome of extradition hearings. At that time Barreto-Morales's forced return to Canada appeared inevitable. Dutch authorities said that even if the court rejected the Canadian extradition request, they would send him back to London—where Canadian officials could renew their attempts to extradite him.

Instead, Barreto-Morales made his jailbreak, clearly disappointing Canadian officials, including the federal prosecutor who initiated the extradition. Declared Ottawa's Kinsinger: "I am shocked I would never have expected this to have happened in Holland." But some of the RCMP narcotics agents who had tracked down Barreto-Morales said they believed that the alleged drug trafficker had the wealth and influence to buy his way out of prison.

Indeed, some of the officers who used to watch the legendary wannabe arranger at Montreal nightclubs in a restaurant and Peruche sports me estimate that Barreto-Morales's alleged drug dealing could have generated a yearly income of \$1 million. Concluded one RCMP officer: "Two wanted to see if he could beat the extradition legally, and when he lost he escaped." Barreto-Morales was still at large at week's end—with his reputation as an extremely elusive fugitive from justice intact.

—DAN BROWN in Montreal



Jays' Jose Nunez sliding into home plate during a game.

## SPORTS

# Showdown in the Bronx

**A**fter playing Western Division teams for more than a month, the Toronto Blue Jays are finally squaring off again with their American League Eastern Division rivals. Following 32 wins in 35 games against the West, Toronto entertained the Baltimore Orioles for a weekend series. The Orioles return to home later this week, but not before the Jays play three times in the baseball coliseum called Yankee Stadium. Said Jays pitcher John Cannan of Albany, N.Y., who was scheduled to start the second game in New York: "Any time you play in Yankee Stadium you're going to be a little more psyched up. It's going to be a big series."

Last June, when the Jays made the first of their two annual visits to New York, they traded the first-place Boston Red Sox by 30 games. Last week, as the Jays prepared for the series with Baltimore, Boston was in ninth place and the Yankees led the division. But prior to their series with the Orioles, the Jays traded the Yankees by just 1½ games and looked forward to the chance of closing the gap or moving in front themselves.

The Jays have fared well in recent

series at the ball park that is also known as the Bronx Zoo. In September, 1985, Toronto won the last three of a four-game series to all but clinch the division championship. And last season they won four of six games in New York. But the Yankees have enjoyed the return engagements. In the past two seasons, New York has won nine of 13 games in Toronto and they will be back for three more starting on June 29. Until then, Yankee Stadium will provide the setting for the first 1987 showdown between the division's top two teams. Said Jays first baseman Willie Clark, a Yankee until Toronto drafted him in 1977: "The looking forward to it. It gives us a chance to see how good we are in our own division, and everybody wants to show they're top dog."

For manager Joe Pepas, it will be strictly a business trip. In his sixth season with the

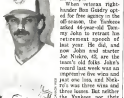
Jays, the 39-year-old Uptown's excitement over the prospect of playing in New York has changed. Barreto-Morales: "It used to be because of Yankee Stadium. Now it's not the stadium, it's because we're playing the Yankees." But for younger players, such as rookie pitcher Jeff Minton, playing in the stadium holds its magic. The 33-year-old Harvard graduate grew up in nearby New Jersey and expects to hear cheers in the stadium from relatives, friends and co-workers from the New Jersey brokerage firm where he puts his economics degree to use in the off-season. Said Minton: "It's going to be exciting. You can't get around the fact that when you play the Yankees there is more adrenaline. It's the New York area."

The aura embraces the classic pinstripe uniforms, the bronze plaques of Yankee immortals behind the center-field fence, and is confirmed by the recent 32 World Series championships. But the Yankees have

not won it all since 1978 and last season they finished second behind Boston in the East. The Jays ended up in fourth place, and as a result, both teams added new faces for this season. Toronto elevated minor leaguer Maselmann, second baseman Muncy Lee and designated hitter Cecil Fielder—and drafted pitcher José Nunez from the Kansas City Royals. And at week's end they signed free-agent catcher Claudio Hasegawa.

New York traded for pitchers Charlie Haden and Rick Hudson and signed free-agent outfielder Gary Wadd. They have helped Hudson win six of his first eight decisions. Wadd is hitting close to .300, and Hudson was one of his first nine decisions. But, like the Jays, the Yankees' starters remain the one potential stumbling block to their perennial hopes.

When Carlos Lirio's right-hander Ben Gaudy opted for free agency in the off-season, the Yankees added 44-year-old Tommy John to retreat his retirement speech of last year that he did, and now John and starter Joe Niekro, 43, are the team's old folks. John's record last week was an impressive five wins and just one loss, and Niekro's was three wins and three losses. But neither the Yankee nor their



# OUR MESSAGE IN THE BOTTLE

Canadians enjoy soft drinks—  
so here are some practical tips  
on handling soft drink bottles:

- Bleeted soft drinks are carbonated—so it makes sense not to shake them before opening even if partly full, and to store bottles in a cool place
  - Store them in a safe place, out of reach of small children, so the bottles won't be tipped over or dropped
  - When carrying bottles, make sure that they are secure and separated. Avoid lugging them together, even when empty
  - Never use tools to force off the screw cap
- When handling glass containers, remember

a little common sense  
makes a lot of  
good sense.



Brought To You  
In The Public Interest  
By The Canadian  
Soft Drink Association

For more information, please write to us  
at 500 University Avenue, Suite B12  
Toronto, Ontario M5G 1Y7

CUT OUT AND PIN UP

crinals are convinced that the veterans can sustain that performance for the entire season. But, Guidry has re-signed with the team, and the Yankees also have one of the game's best relief pitchers, Dave Righetti. Last week he ranked second in the American League with 12 saves. But Toronto's Tom Hume was third with nine.

Indeed, the Blue Jays' relief pitching is now one of the team's strengths. In Toronto's first 50 games, the bullpen staff—Hume, Mark Kulkbore, Musulman and Josh Nuffer—posted a combined earned-run average of just 3.08 with nine wins, four losses and 32 saves. But the starters won 20 and lost 16 with an ERA of 4.04. Righetti, last year's mookie sensation, has already won six games. This season's rookies—Musulman and Nuffer—have pitched well. And last week left-hander reliever Gary Lavelle, 28, returned after surgery on his elbow. Lavelle has not pitched since 1985.

But some Toronto starters have had problems. Prior to the Baltimore series, Carith and Joe Johnson had won just four games between them, while losing seven. And right-hander Dave Stieb, with four wins, three losses and a 4.84 ERA, has managed to make it into the seventh inning just twice in 11 starts. And Stieb, scheduled to start the first game against the Yankees, "I really don't have an answer for it. Maybe I just try to do too much."

With six wins in nine decisions, left-hander Jimmy Key—scheduled to pitch the third game in New York—has confirmed his status as the team's most reliable starter. And right-hander Jim Clawey enjoyed a month of May to remember. After winning and losing 14 games last season, Clawey won five games in May, last just one, recorded a 3.71 earned-run average and was named pitcher of the month in the American League. Explained the modest 31-year-old in his 11th season with the Jays: "Things just came together for me. And the team scored a lot of runs for me too."

Scoring runs is not a problem for either team. In their first 50 games, the Yankees—with Rickey Henderson and sluggers Don Mattingly and Dave Winfield—scored 277 runs and hit 95 home runs. In their first 50 games, the Jays—with sluggers George Bell and Jesse Barfield—scored 245 runs and hit 81 homers. Said Barfield, anticipating a season-long pennant race with New York: "If we play the way we're capable of playing, we're going to win it. If we make mistakes, then we're in trouble. It's as simple as that."

—RAL QUINN is Toronto's  
correspondent reports

# When you can't get face to face get fax to fax.



Let's face it. Sometimes you just can't afford the time or money to get face to face. Get fax to fax. With Toshiba's new desktop facsimile transceivers.

Set-up is easy. And you can operate it with your little finger. Speed dial up to 50 frequently called destinations.

Send an 8 1/2" x 11" letter around the world in as little as eleven seconds. Got more to say? A Toshiba fax will transmit 30 pages. All models offer delayed transmission to save you money on telephone rates.

We've got one to keep any size office busy. Our 13 lb model TF-221 packs more features per pound than the competition can handle. And our top of the line TF-341M bench circulates automatically to 100 different locations. In strictest confidence if you want. The TF-341M ensures company security with a "Mailbox" function that only you can activate.

Our new facsimiles can take it as well as dish it out. With the dependability that comes from Toshiba's 110 year heritage of quality.

The message is clear. Getting face to face can be a luxury. Getting fax to fax with Toshiba is good business.

For more information call 1-800-387-5646.

## TOSHIBA

WE MEAN BUSINESS  
FACSIMILE PRODUCTS

## Having your cake and eating it too.

DUFFLET ROSENBERG  
PERSONAL FINANCIAL SERVICES

"How what I do. I'm at it 24 hours a day, always looking out for fresh ideas. With over 1,000 cakes leaving my shop every week, I've even got plans for new directions. And Canada Life is helping to put those plans into perspective."

Certainly Dufflet is unique. Not everyone can turn a personal passion for fine pastries into such a growing concern. But at Canada Life, she's just one of our many clients—each one very special to us.

We've made Dufflet's concerns for her growing business our concerns, providing insurance and financial services with a commitment to her present and future needs. At Canada Life, we're proud to share the sweet taste of success with each of our clients.

 **CANADA LIFE**  
Making more of Canadian lives.

## BOOKS

### Gutenberg's dark galaxy

THE SOLITARY OUTLAW

By B.W. Powe  
(Letter & Deben Press,  
136 pages, \$17.95)

Since the 1980 death of media philosopher Marshall McLuhan, few have paid much attention to his prophecy of a postliterate society—rethinking, sequenced and politically homogeneous. In an important work of disturbing relevance, *The Solitary Outlaw*, Toronto literary critic B.W. Powe strives to correct that wilful blindness. His subject is nothing less than post-literate and the ascendancy of electronic barbarism. Powe is concerned with what will become of the reader, the writer and the book in the post-literate environment. His study opens with scenes of Nazi book burnings—events that he says marked the death of literature and the dawn of the age of Mass Man. "What happens," he asks, "to thinking, resistance, and dissent when the ground becomes wordless, electric, and mutual?"

To find answers, he explores the lives and works of five gifted but difficult men: the dialect-influenced British painter and author Wyndham Lewis, former prime minister Pierre Elliott Trudeau; the exclusive master musician Glenn Gould; Nobel laureate for literature Elias Canetti; and media prophet McLuhan himself. A dissimilar group, Powe admits—except that all were private, individualistic men living public lives.

Powe structures his philosophical argument around their five viewpoints. He quotes Lewis, who was constructing on his own attempt to swim against the tide: "There is no movement gathered here, merely a pause, a solitary outlaw and not a gang." Lewis, says Powe, "identified literacy with individuality with conscious choice, and the ability to reason." So does Powe. As he twists and turns—his prose convulsive, dangerous—through the flaring electric wasteland of the global village, it becomes clear that the solitary outlaw is now both writer and reader.

Canada is important in Powe's argument because it is often the first to show the advance effects of the technological world that Lewis once warned of: a society where instead of readers for books, there is a government grant machine that keeps the price of considered copies growing. Gould is an extreme example of technological alienation—his mass means

of personal communication was the telephone. As for Trudeau, Powe calls us generously: writes that at his silent, he stood "for balance, rationality, and a reaching out to the common sense of others." Trudeau once used the mass media with unparalleled skill. His later silence—only recently

broken—was all the more poignant for his former verbal power.

Critics incorrectly perceived Powe's previous book, *A Climate Changeling*, as taking a gratuitous stab at the Canadian literary establishment. With *The Solitary Outlaw*, he will be similarly misperceived as attempting to reverse the reputations of unpopular people. But his work is more profound than that. It is about the fact that, like anything concerned, literacy has become endangered—and dangerous.

—PAUL ROBERTS



# Has. Has not.



## Even the balance today

There are few dreams so universal as the desire to give the best we can to our children. Here in Canada, most of us wobbled. Our children have. But on the far side of the world, the children are not so lucky. They live in a world where doing without is a way of life... a world where a child is lucky to live till she's four... and cursed with hunger, sickness and hopelessness if she does. But you can even the balance, through Foster Parents Plan's fully integrated development programs. We need you... now. Complete the coupon, and brighten a child's dreams today.

CALL TOLL-FREE ANYTIME 1-(800)-268-7174

For information on how to send money to children

### 88 PLAN FOSTER PARENTS PLAN OF CANADA

150-22 CLARK AVENUE, WILLOWDALE, ONTARIO, CANADA M2H 1P6

I want to be a Foster Parent of a boy ☐ girl ☐ age

country ☐ or where I would like to go ☐

I would like my first payment of \$20.00 monthly ☐ \$20.00 quarterly ☐

\$138.00 Semi-Annually ☐ \$576.00 Annually ☐

I CAN'T become a Foster Parent right now. However, I would like my contribution of \$

Please send me more information ☐ Tel. No.

M ☐ MH ☐ MM ☐

Address

City

I wish communication with PLAN to be in English ☐ French ☐

PLAN operates in Bolivia, Burkina Faso, Cameroon, Upper Volta, Colombia, Ecuador, Egypt, El Salvador, Guatemala, Haiti, Honduras, India, Indonesia, Kenya, Liberia, Mali, Nepal, the Philippines, Senegal, Sierra Leone, Sri Lanka, the Sudan and Togo. Foster Parents Plan of Canada is a private organization and is not affiliated with the United Nations or any other government. Contributions are tax deductible. 14-023 21-027

## THEATRE

### Breezy summer concoctions at Shaw

The Shaw Festival has often been criticized for staging lightweight programs, abetting in truth. And certainly the first offering of the 1993 season, which opened two weeks ago in Niagara-on-the-Lake, Ont., include the usual breezy summer concoctions. But there is a surprising amount of fun left in such old-fashioned as Noel Coward's slyly witty *Hay Fever* and Cole Porter's musical Anything Goes—and the Shaw ensemble has mastered the mannered, old-fashioned acting style so necessary for making the laughs flow from them. Yet they also have the visceral stardom required for Jane Hume's match-tough *Marathon 32*—coinciding in a Canadian premiere—and for Major Barbara, the festival's mainstay, George Bernard Shaw. The ingenious playwright may not attempt the heights of drama, but it handily covers the important middle ground.

In choosing to kick off the festival with *Major Barbara*, artistic director Christopher Newton has bravely tackled one of Shaw's more problematic plays. The drama explores the theme of what humanity should do about its weapons of destruction. In the wealthy arms manufacturer Andrew Undershaft (Douglas Hensley), Shaw has created a character who, to late 20th-century eyes, resembles a self-named monster. He suffers no qualms of conscience over the destruction his products cause. And he calmly subverts the idealistic Salvation Army work of his daughter, Barbara (Martha Burns), while cradling her lunatic, Adolphus (Jim Meeks), with a job in his cinema factory.

Shaw obviously addresses the sentimental canard of Undershaft, who cheerfully admits he is a "profiter in enlightenment and murder." But Newton's justification fails to address the generosity of Andrew's position, and his cast members override crucial nuances of character and theme by drawing only bold rhetorics) outlines in their parts. Still, they give full value to the play's central message: capacity for the hypocritical religious charades mounted by the low-life types in Barbara's Salvation Army shelter.

Shaw's verbal agility contrasts sharply with *Marathon 32*, written in 1963 by American playwright Jane Hume, sister of Guyton Rose Lee. Hume only holds rhetorics) outlines in their parts. Still, they give full value to the play's central message: capacity for the hypocritical religious charades mounted by the low-life types in Barbara's Salvation Army shelter.

Shaw's verbal agility contrasts sharply with *Marathon 32*, written in 1963 by American playwright Jane Hume, sister of Guyton Rose Lee. Hume only holds rhetorics) outlines in their parts. Still, they give full value to the play's central message: capacity for the hypocritical religious charades mounted by the low-life types in Barbara's Salvation Army shelter.



Left: Mitchell in *Marathon 32*; visually superb, vociferously energetic

voce's dialogue often sounds like war-movie vaudeville, but that weakness rarely handicaps the festival's visually superb and vociferously energetic production. An autobiographical play set in a Depression-era nightclub, *Marathon 32* follows the fortunes of 18-year-old Jane (Candice Mitchell), who joins thousands of others trying to win food and money in months-long dance endurance contests. Chaperoned by veteran marshallers Penny (Dina Lane), Jane descends into a hell where dancers drag their sleeping partners around the dance floor, endure abuse from spectators, and must respond to bursts of fast dancing that feel constructed like machine-gun fire.

Mitchell gives Jane just the right touch of jittery determination, effectively drawing audiences into her odyssey of survival. But *Marathon 32* is really an ensemble triumph, the whole

French love scene with such a delicate sense of loss that all the brightness of *Hay Fever* shines in its fragility.

Such subtlety will not be found in the festival's first opening-week offering, Cole Porter's frenetic Anything Goes. The musical's low point is the supposedly comic dialogue, where the cast turns up the energy to resemble to fall volume. But Porter's this drama of a luxury liner cruise also contains some enduring toe-tapping, including the respite title song. The show was a raucous celebratory chair at the end of the Shaw Festival's impressive opening week. If most of the plays tended to be more amusing than thought-provoking, that is little to complain about. The gods of tragedy must have their day, but so must the gods of laughter and forgetting.

—JOHN REMBOLD in Niagara-on-the-Lake

# An architect of television

Less than a year television producer Ross McLean (pronounced not his first) CBC TV show, a short-lived 1952 national program called *Spotlight and Lyrics*. "We were regarded as a variety hit," McLean recalled. Posing for effect, he added, "We were sure fired—but we were not a hit." For McLean, who suffered a fatal heart attack at 62 in Toronto last week, *Spotlight* proved to be the commencement start of an exceptional career. He created some of the most popular early Canadian television shows, among them the public affairs program *Tobacco, Cane and the Way It Is*, *Fireless*, hot-tempered and relentlessly satirical. McLean helped shape the raw material of television into an integral part of Canadian life. Said Joyce Davidson, a host on both *Tobacco* and *Cane*: "Ross was the most giving and the most demanding of producers."

Broadcasting began McLean's adolescence early in life. Based in Bradford, Ont., he was a radio announcer at the local station by age 16. At 20, he got in on the ground floor of Canadian television as a producer at CBC's Toronto station, CMT. McLean's first hit show, *Tobacco*, was an after-school early evening news show that first aired in 1953. Taking their cues from McLean's meticulously polished but often irreverent scripts, his show's hosts interviewed everyone from prime ministers to wrestling stars.

McLean had an astringent eye for talent. Among the broadcasters he either discovered or championed were Pierre Berlan, Charles Tanguet, Barbara Frum and Peter Gzowski. But he was even more ruthless when it came to firing the increasingly stratified CBC to produce entertainment and information shows at CBC. He returned to the CBC in 1966 but, frustrated, departed again 13 years later.

For a while, he dabbled in film production and more recently taught journalism and wrote a column for *The Globe and Mail's* *Broadcast Week Magazine*. To his peers, McLean seemed to the last something of an enigma. Said Peter Gzowski, host of CBC Radio's *Morningstar*: "I never saw him show passion, except in his dedication to his work."



Segovia: the man who took the guitar out of the tavern and into concert halls

## A master's final ovation

When he was a teenager growing up in a small Spanish village, his parents begged him to become a lawyer. Instead, Andrés Segovia became the leading practitioner of the classical guitar—and remained one of its greatest masters for more than 60 years. When Segovia fell in love with the six-stringed instrument around the turn of the century, it was primarily used to accompany solo singers. Through concerts, master classes and in his own transcriptions of classical works, he proved that the guitar was, as he liked to say, "a small orchestra." Each of its strings, he said, had "a different color, a different voice." Last week the man who took the guitar out of the tavern and introduced it to concert halls around the world died in Madrid of a heart attack at 94. Said Toronto-based classical guitarist Norbert Kraft, winner of the 1985 Segovia International Guitar Competition in Majorca: "He inherited the greatest guitarists playing today. He elevated the guitar to a status it really didn't have before."

Segovia made his professional debut in Granada in 1908, at the age of 14. By the 1930s, with his regal bearing and thick powerful fingers, he had become a familiar sight on the world's concert stages. He played about 200 concerts a year before he began, in his 70s, to cut back on his touring schedule. Segovia refused to use amplifiers, even when he played with a full symphony orchestra, because he disliked any mechanical in-

terference with his sound. Sir Kenneth, artistic director of the Grawest Society of Toronto and a former student of Segovia's, once told the master that Segovia, on the back of the hall could not hear his Koussevitzky recall that Segovia replied: "I am sorry for them. But I want the ones who can hear to hear a beautiful sound."

Because few major composers had written for the guitar, Segovia began transcribing the works of Bach, Scarlatti, Mendelssohn and many others. His elegant demonstrations of the guitar's untapped possibilities spawned many contemporary composers, including Villa-Lobos, Rodrigo, Falla and Poulenc to write music for the instrument. Others, they dedicated these works to Segovia. Largely self-taught, Segovia revolutionized the style of guitar-playing. He discovered that a brighter sound could be achieved by playing with the fingers instead of playing in the traditional western with the fingertips.

Segovia began looking almost as much at performing and continued to hold master classes into the final months of his life. While he inspired thousands of musicians to take up the guitar, he remained as a class by himself. Asked to translate the Segovia sound into words, his student and long-time associate Koussevitzky replied: "The only way I can describe it is vague. We all tried to imitate it, but no one can."

—FIMELA YOUNG in Toronto

## FILMS: BRIEF ENCOUNTERS

### THE UNTOUCHABLES

Directed by Brian De Palma

There is a central paradox in using violence to champion order, and it hazzards the legends of great lawmen, from Wild Bill Hickok right up to Clint Eastwood, the cop who put gangster Al Capone behind bars. An playwright and scriptwriter David Mamet (Glorious Glee) directs Nease in the film *The Untouchables*, he is a pace-hunter, consuming hardly man squelched in one brief scene to do his job. Mamet focuses on Nease's moral ap-

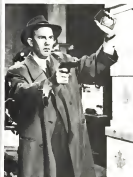
proach to provide him with contrast. Nease has invented the character of a jaded Irish cop named Malone (Sean Connery), whom Nease brings back into service. The movie plays on the audience's need to root for the good guys. Nease, Malone, a rookie officer (Andy Garcia) and an assistant (Charles Martin Smith), who is ultimately responsible for igniting Capone for tax evasion. The ostentatious Capone and his various associates, Frank Nitti (Billy Drago), are terrifying adversaries. Much of the movie's appeal lies on the steps of Chicago's Union Station, the viewer will be gripped by the action—but at the same time made uneasy, even queasy.

—LAWRENCE OTTOGONE

### MY LIFE AS A DOG

Directed by Lasse Hallström

Swedish director Lasse Hallström has a special gift: he can transport his audience back to their youth. In his nostalgic and entertaining *My Life as a Dog*, his vehicle in 31-year-old Ingemar (Artur Hansson), Ingemar's mother (Anita Lind) is dying of leukemia, and his dog, Sebastian, has been put to sleep. A frail, philosophical kid, he consoles himself by thinking how much better off he is than the victims of natural disasters, freak accidents—and especially Laila, the first dog into



Costume as Nease: opacous shockman, 30-month violence

space, who staved to death. There is a business behind the film's comedy, and it comes from the boy's ability to laugh at his own inarticulate pain.

Once Hallström has established his reflective tone, the film goes nowhere. But it does stall in a pleasant place the village in which Ingemar spends a summer learning to live and play soccer, and to what he returns after a mother dies. It is also the place where he falls in love, once with a teacher (Melinda Kinnaman), then with the broken Bert (Ingemar Carlsson)—and where he reads impure descriptions from a catalog to a dying old man. Hallström's really captures the feel of the late 1950s, especially the period's fascination with space travel. Looking at the world through the eyes

of Gleaner, a delightfully wistful child actor, *My Life as a Dog* makes long ago seem as close as yesterday.

—L. OTT

### HARRY AND THE HENDERSONS

Directed by William Dear

The station wagon carrying an average American family home on an uneventful camping trip accidentally slams into a giant, hairy creature. Recovering the Hendersons are left with their one "Harry" home to care for it. The adorable Harry, an eight-footer with the face of a gorilla, then proceeds to destroy their house, but not before adding his hands with his scimitar. Most of the time, the film is whole. When it is not, it is bland, sentimental—try to keep count of the hugs and kisses—and simply implausible.

The outcast family—father George (John Lithgow), mother Nancy (Melinda Dillon), teenage Sarah (Margaret Langrick of *My American Cousin*) and little son Ernie (Jonas Brody)—seem to have arrived out of a 1960s time warp. A nosy neighbor never bothers to ask why their place looks like a disaster area. Directed by Canadian William Dear, the film proves the first theme of an animal accompanied by thoughtful humans, in this case a feline hunter. There are repeated references to the creature's odor. Alas, Harry is not the only one who smells.

—L. OTT

### MACLEAN'S BEST-SELLER LIST

#### FICTION

- 1 *Fine Lines*, David (2)
- 2 *The Roadman*, David (2)
- 3 *Darkness*, Anthony (2)
- 4 *My Life as a Dog*, Lasse (2)
- 5 *White House*, Thomas (2)
- 6 *Dead*, David
- 7 *The Lord of the Rings*, Tolkien (2)
- 8 *My Life as a Dog*, Lasse (2)
- 9 *My Life as a Dog*, Lasse (2)
- 10 *The Eyes of the Dragon*, Mary (2)

#### NONFICTION

- 1 *More Advice from the Back Doctor*, David (2)
- 2 *My Life as a Dog*, Lasse (2)
- 3 *The Lord of the Rings*, Tolkien (2)
- 4 *The T of the Hurricane*, David (2)
- 5 *My Life as a Dog*, Lasse (2)
- 6 *My Life as a Dog*, Lasse (2)
- 7 *My Life as a Dog*, Lasse (2)
- 8 *My Life as a Dog*, Lasse (2)
- 9 *My Life as a Dog*, Lasse (2)
- 10 *My Life as a Dog*, Lasse (2)

(1) Fiction list only  
—Compiled by Frances Mulvey

# Whistler, Baie Comeau or Hearne

By Allan Fotheringham

The seven leaders of the western economies are meeting in beautiful, ephemeral Venice. It is one of the more enchanting cities in the world, its buildings all pink and blue and mauve, shimmering in the Adriatic. It is not the most convenient secret was in Italy, seven years ago, the best country also picked Venice as the site. There's a good reason. With the world's television cameras on the waterfront, Italy wants to show off its beauty around the globe. When the United States hosted the show-and-tell event that doesn't really decide anything, it picked as the site the historic town of Williamsburg, Va., which has been restored completely to its Early American model.

Now, we have a problem here. It is going to be Canada's turn in 1988 to be host—in other words, our turn to prove before the world's cameras. The last time the United States, Britain, Japan, West Germany, France, Italy and Canada met here, the site was Montebello, a huge log cabin on the Quebec side of the Ottawa River, thereby confining in the minds of the foreign visitors the cowboy-and-buckskin image so firmly held by the world.

This time around, we really must do better. Picking the spot for the economic summit of 1988 is absolutely crucial to our international reputation. Much care must be taken. We're talking about big vision here. Canada will be on show. My suggestion is that the Mulroney government use scenic imagination and plunk Brenan Magnan and Maggie Thatcher and the rest at Whistler Mountain. The resort 90 minutes north of Vancouver is the home of the Beautiful People and also the place where Bill Vander Zant, Premier Manicoube himself, was invented to be at such a holy site, flattered by the gossamer-thin Boned delegates, should be inspiration enough for the statesman.

Mulroney badly needs western Canadian votes. In addition, there is a huge

Allan Fotheringham is a columnist for Southern News.

water slide beside the ski lift, brilliant yellow tubes that tumble tourists into a hot pool, and Maggie with her concrete hair could soon down this to open the summit, much like a show girl bursting out of a cake.

Picking that imagination is needed, remember, the Mulroney could pick Baie Comeau as the shogues for the Western World's leaders. There would be a chance, with the swirl of the pulp mill in their nostrils, for the six visitors from abroad to glimpse the humble background of a prime minister, proof insurance that anyone can



rise to the highest position in the land. A stay in the local motels would be further education.

As an alternative, the government could get to the real navel of the nation and demonstrate, for all the eager followers of the foreign press who will be present, the broadheart of the country. My suggestion is a place called Hearne, Sask., which might also have the advantage of retaining one of the few remaining seven-layers left on the Prairie, to bring those leaders down to, um, earth. (Since Maggie is probably due to be there, perhaps they could get by with a no-belt-and-shifts.)

Lacking the proper wit, the government undoubtedly will stick the foreign leaders in some posh retreat like St. Andrews-by-the-Sea on the coast of New Brunswick. With its magnificent lawn and its Old English manner, it would give them entirely the wrong impression of Canada. It's an old favorite of John Turner, and Sena-

to Finlay Macdonald, with his dread-fail husband, can usually be found on nearby tennis courts. At all entrances, the summit should be kept away from Ottawa, since it tends to have a damping effect on visitors from afar. Sam Donaldson thinks the Chateau Laurier is a trap for a Disneyland visit, and there is always a danger in introducing too many tourists to Ottawa, ever.

Innovation is essential. A house in the evocative oil-sands projects in northern Alberta might spotlight for the leaders the world oil-price roller coaster they have never been able to bring under control. Come-by-Chance, Nfld., might be a rugged choice, but it would possibly give Canada more space in the world press than any of the above choices. Besides, the introduction of the foreign leaders to Canada's third official language would convince them of the true diversity of this country.

You could introduce them to the best climate in Canada, an Salt Spring Island in the waters between Vancouver and Victoria. Just down the mountain slope is Jack Webster, the Quorned Savage himself, who, now that he has retired, is more than willing to assist international strategy at those who run Italy, France and Japan. Jack and Maggie would be a summit by itself.

The Tories, who have enough trouble running the country, are going crazy for world gatherings this year. The transatlantic summit of the world will be meeting in Quebec City, and the Commonwealth Conference will be gathering in Vancouver in October. They have even appointed a special "ambassador," Dr. Fred Desautel, late of the run, to arrange all these conferences. So you can eliminate these two cities from the economic summit suggestions.

You can eliminate Toronto, because what we essentially want to display before the world is a Canadian city. Toronto is basically an American city, becoming more so every day. It has to be Whistler, Baie Comeau or Hearne. Just watch the government ignore my sound advice.



And then there's Smirnoff.



Friends are worth it.





**A**dvanced products come from research and development. Northern Telecom's R&D team totals over 3,500 scientists and technologists. We commit 10% of our revenues in research, making Northern Telecom the largest private research and development employer in Canada. Because of this R&D commitment, you'll get the products you need—today and tomorrow.



**NETWORKING**